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ABSTRACT

This report recommends passage of the Workforce Investment Partnership Act of 1997. It describes this bill as one that streamlines the current federal job training system, making it more user-friendly, and consolidates the numerous federal job training programs, eliminating confusing and redundant mandates and creating integrated statewide work force development systems. Nine sections are included: (1) background and need for the legislation; (2) history of the legislation and votes in committee; (3) committee views; (4) cost estimate; (5) regulatory impact statement; (6) application of the law to the legislative branch; (7) section-by-section analysis; (8) additional views; and (9) changes in existing law. (YLB)

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105TH CONGRESS }
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SENATE

{ REPORT
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WORKFORCE INVESTMENT PARTNERSHIP ACT OF 1997

OCTOBER 15, 1997.—Ordered to be printed

Filed under authority of the order of the Senate of October 9, 1997

Mr. JEFFORDS, from the Committee on Labor and Human Resources, submitted the following

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REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1186]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1186) to provide for education and training, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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I. BACKGROUND AND NEED FOR THE LEGISLATION

Since the late 1960's, the Federal Government has invested considerable resources in helping people find meaningful employment through participation in numerous Federal job training, vocational education, adult education, and related programs. What began as

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a few limited programs, has exploded today into 163 separate programs, scattered across 15 different Federal agencies, and costing more than $20 billion a year.

Our Nation's current job training system is no system at all. It is a complex patchwork of numerous rules, regulations, requirements, and overlapping bureaucratic responsibilities. Consumers, individuals seeking assistance and businesses seeking to hire them, face a fragmented and duplicative maze of narrowly focused programs that lack coordination, a coherent strategy to provide training assistance, and the confidence of the consumers who need to utilize the services.

In addition, current employment training programs have not, in many instances, kept pace. We need to design a new workforce investment system which can respond quickly and effectively to changing workplace demands.

Accountability is greatly lacking in the current system. Two years ago, the General Accounting Office released a report (GAO/T-HEHS-95-53) indicating that fewer than half of the 62 job training programs selected for study even bothered to check to see if participants obtained jobs after training. During the past decade, only seven of those programs were evaluated to find out whether trainees would have achieved the same outcomes without Federal assistance.

Frustration and confusion is widespread throughout the system—by program administrators and employers, and most important, by those seeking assistance. This is frustration at the breaking point:

> Frustration to the point that business community participation and leadership is waning because the current programs fail to meet their employment needs;
>
> Frustration to the point that States, localities, and community activists are becoming disenchanted because of confusing and duplicative program requirements;
>
> Frustration to the point that those individuals seeking services have a difficulty knowing where to begin to look for training assistance because there are no clear points of entry and no clear paths from one program to another; and
>
> Frustration to the point that the Federal Government has begun to question its commitment to training, vocational education, adult education, and related programs because of general program ineffectiveness.

This is the status quo. This is unacceptable. This is why reform is needed now.

Reform is needed because the economic future of our country depends on a well-trained workforce. Employers at every level have found it increasingly difficult to find and attract qualified employees for high-skilled, high-paying jobs as well as qualified entry level employees. This growing shortage of qualified workers must be addressed if our Nation is to remain economically competitive.

Reform also is needed if the welfare reform bill passed by the 104th Congress is going to have any chance of succeeding. States must be empowered with the tools necessary to develop a comprehensive system to assist people make work, not welfare, their way of life.

As a nation, we can no longer afford the "Washington knows best" mentality that created the current maze of job training and training-related education programs. With a few notable exceptions, the evidence on the one-size-fits-all approach reveals far more failures than successes. However, because of the Congress" inability to enact reform, States and localities have begun the task of creating their own comprehensive systems which meet the unique needs of their communities. But, they have been frustrated by Federal laws and regulations which prevent them from developing more responsive and effective workforce investment systems.

The Workforce Investment Partnership of 1997 offers States, localities, the business community, and those individuals seeking job training, adult education, and vocational education assistance a new beginning, a foundation, a positive framework for success. Instead of rules that tie the hands of States and localities, this bill provides the tools to develop comprehensive workforce investment systems that address the needs of job seekers and employers while retaining federal priorities. This bill is a road map to a better system, a system leading to a stronger economy, a better-trained and educated work force, and successful welfare reform.

II. HISTORY OF THE LEGISLATION AND VOTES IN COMMITTEE

FULL COMMITTEE HEARINGS

On April 24, 1997, the Committee on Labor and Human Resources held an overview hearing on vocational education. The hearing focused on the need for quality vocational education programs that relate to current and projected labor market trends. This was highlighted by the testimony of Mr. Harris Miller, president of the Information Technology Association of America. Mr. Miller announced that there are currently 190,000 jobs in the technology field that are unfilled because of the lack of a skilled labor supply and that quality vocational technological education programs must be enhanced to address the labor shortage. The other witnesses who testified before the committee were: Patricia McNeil, Assistant Secretary for Vocational and Adult Education; David Stern, director for the National Center for Research in Vocational Education; Paul Cole, vice president for the American Federation of Teachers; Rick Theders, president of Clark Theders Insurance Agency; Dan Hull, president of the Center for Occupational Research and Development; and Larry Rosenstock, director for the Urban High School Project.

On May 16, 1997, the Committee on Labor and Human Resources conducted a hearing that examined adult education. Mr. Joel Mudge and Ms. Kathy Garrow from East Montpelier, VT presented testimony regarding their perspectives as students completing their adult education courses. Both discussed that their attainment of literacy skills was an asset in terms of seeking employment and also in reading with their children. The other witnesses who testified before the committee were: Patricia McNeil, Assistant Secretary for Vocational and Adult Education; Mary Paul Hankinson, executive director for Vermont Adult Learning; Stephen Steurer, executive director for the Correctional Education As-

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sociation; John Ryan, Offender Aid and Restoration; and Richard Dennis, Adult Basic Education and GED tutor.

On May 19, 1997, the Committee on Labor and Human Resources held a hearing at Vermont Technical College in Randolph, VT. The hearing examined innovative strategies pertaining to vocational education, adult education, and job training. Each witness commented on the importance of coordination among vocational education, adult education, and job training. All stated that coordination must take place at the federal, state, and local levels. Ms. Susan Auld, commissioner of the Vermont Department of Employment and Training summed up the theme of the hearing by stating: "* * * integration is a set of programs and services for individuals and employers that are comprehensive and seamless, so Vermonters know where to turn for education and training, how today's programs relate to tomorrow's jobs and where there is minimal duplication of services." The other witnesses who testified were: Charles Bunting, chancellor for Vermont State Colleges; Jane Kitchel, commissioner of the Vermont Department of Social Welfare; William Shouldice, secretary for the Agency of Commerce and Community Development; Marcia Baker, director for the Burlington Technical Center; Kathy Finck, director of the Career and Lifelong Learning Department (Vermont Department of Education); Joyce Judy, dean of Student Services for the Community College of Vermont; William Laramee, dean of Institutional Advancement for Lyndon State College; Mary Leahy, executive team for Central Vermont Adult Basic Education; William Cormany, senior policy advisor for the Vermont Department of Employment and Training; Steven Gold, director for Welfare to Work Programs (Vermont Department of Social Welfare); Joseph Paskevich, owner of Mahoney Hardware; Charles Boudreau, president and chief executive officer of the Vermont Science and Education Center; Gerald Brown, chair of the Board of Directors for Vermont Heating and Ventilating; Robert Clarke, president of Vermont Technical College; David Coates, co-chair of the Champlain Initiative; Theresa Baker, Northlands Job Corps student; Ken Foote, Essex Technical Center apprentice; and Candice Crowley, (former) Adult Basic Education student.

SUBCOMMITTEE ON EMPLOYMENT AND TRAINING HEARINGS

On March 11, 1997, Senator DeWine, chairman of the Senate Labor and Human Resources Committee's subcommittee on Employment and Training, commenced an examination of the Federal job training system by holding the first of four hearings on the issue of the system's effectiveness and methods of improvement. The first hearing was an oversight hearing of Federal job training programs focusing broadly on the Federal system's overall status, successes and failures, and general suggestions for reform.

The Subcommittee heard from several witnesses including Raymond J. Uhalde, the Acting Assistant Secretary of Labor, Employment and Training Administration. The Assistant Secretary described President Clinton's position including the President's goal to "consolidate and streamline the Federal training programs for adults, organize them within the one-stop career center delivery system, and ensure that the private sector is a full partner." The

Assistant Secretary also added his own perspective by stating that "[t]o survive in this competitive marketplace, programs will have to offer training that truly helps individuals sharpen their skills."

Other witnesses included: Roberts T. Jones, president and chief executive officer of the National Alliance of Business; Arnold R. Tompkins, director of the Ohio Department of Human Services; Gary Walker, president of Private/Public Ventures; and William J. Spring of the Massachusetts Jobs Council. Each witness testified about the general status of the Federal job training system and the need for tremendous improvement.

Perhaps the most descriptive suggestion for change came from Gary Walker, who outlined seven "Principles of Effective Action" in the area of youth job training. The Principles are: (1) Each [youth] needs to feel that at least one adult has a strong stake and interest in his or her labor market success; (2) each [youth] must sense: (a) That the initiative or program has strong and effective connections to employers, (b) that placing the [youth] into a paid position with one of those employers as soon as possible is of the highest priority, and (c) that the initial job placement is one step in a continuing and long term relationship with the program or initiative to advance the [youth's] employment and income potential; (3) each [youth] must feel at each step of the way the need for and opportunity to improve his or her educational skills and certification; (4) each [youth] must feel that the program or initiative will provide support and assistance over a period of time—perhaps up to several years—that may include several jobs and several attempts at education; (5) effective connections between the program or initiative and external providers of basic supports such as housing, counseling, medical assistance, food, and clothing; (6) and "atmosphere" in the program buttressed by specific activities, that emphasizes civic involvement and service—in short, an extension of practical caring beyond self, family, and friends; and (7) motivational techniques such as incentives for good performance, peer group activities and leadership opportunities.

On April 15, 1997, the subcommittee held its second hearing, titled, *Innovations in Adult Job Training*, the hearing focused on effective solutions to some of the problems the Federal adult job training system faces.

The subcommittee heard from two panels. The first represented individuals from the public sector including Daniel Berry, vice president for Workforce Preparation for the Cleveland Growth Association; Peter McLaughlin, chairman of the National Association of Counties Steering Committee on Employment; Donald W. Ingwerson, the superintendent of the Los Angeles County Office of Education; and Jackie Bessler-Perasso, director, JTPA Administration, State of Oregon Office of Community College Services.

The second panel represented the private sector and included Kristin Watkins, deputy director of Wider Opportunities for Women; Ronald Foster, corporate vice president of United Parcel Service; Kenneth Tully, senior project manager for the Community and Training Program for Marriott International Inc.; and Pamela Brown and Marlene Gray, program participants with United Parcel Service and Marriott International, Inc. respectively.

Informative testimony from the public sector was Dr. Ingwerson's explanation of how he helped the Los Angeles County Office of Education consolidate and streamline all of Los Angeles County's education and training programs under one umbrella program unit. Helpful testimony from the private sector, included Ronald Foster's explanation of United Parcel Service's efforts to obviate jurisdictional boundaries and link resources from New Jersey and Pennsylvania to create job opportunities in UPS's Philadelphia hub for hundreds of individuals in Camden, NJ's poorer sections.

Two days later, on April 17, 1997, the subcommittee held a similar hearing titled *Innovations in Youth Job Training*. This hearing, like the previous, focused on successful solutions that face the Federal job training program. Unlike the previous hearing, however, the issues surrounded youth training.

In addition to two full witness panels, the subcommittee also heard testimony from Mary Silva, the national director, Office of Job Corps, U.S. Department of Labor. Ms. Silva testified about Job Corps' progress and later answered questions from Senator DeWine about the current recruiting and placement practices and how they might be improved.

The two remaining panels consisted first of Richard Halpin, chief executive officer and founder of the American Institute for Learning; Monroe Marshall, a student at the American Institute for Learning; Ralph Dibattista, former director of the Hubert H. Humphrey Job Corp Center; Susan Lees, a current Job Corps enrollee; and Carmen Placido, a regional director for the Center for Employment Training; and second of Lorenzo Harrison, deputy executive director for STRIVE; Ashanta Blackmon, a student with STRIVE; Jerome Ryan, director of EDCO Youth Collaborative; Allyson Peerman, manager of community affairs for Advanced Micro Devices; and Amber Curtis, a student in Advanced Micro Devices student training program.

Monroe Marshall, a student with the American Institute for Learning provided inspirational testimony about his life and how the methods used by the American Institute for Learning provided him with a positive outlook and prospects in employment and life. Many of the methods Mr. Marshall described paralleled the seven principles outlined by Gary Walker in the subcommittee's first hearing.

The subcommittee's fourth and final hearing was a field hearing conducted by Senator DeWine at the Cuyahoga Community College Unified Technology Center in Cleveland, OH, titled, *Local Workforce Initiatives,* the purpose of this hearing was to address specific problems in Ohio and how some of those problems may be addressed on the local level.

The two witness panels included Sandy Auburn, director of Workforce Development for the Akron Regional Development Board; Daniel Berry, vice president of Workforce Preparation for the Cleveland Growth Association; Terry Goode, president of the Lorain County Workforce Institute; Art Iacofano, director of the Lake County Employment and Training Administration; Jerry Sue Thorton, president, Cuyahoga Community College; Sheila Manley, executive director of the Cuyahoga County Workforce Development Compact; David Roth, executive director of Cleveland Works; and

Fred Schoenig, Cleveland State University, representing CAMP, Inc.

The witnesses each discussed the importance of flexibility in the Federal job training system and the necessity of localities being able to evaluate and fulfill the needs of their own communities.

THE INTRODUCTION OF THE WORKFORCE INVESTMENT PARTNERSHIP ACT

On September 17, 1997, Senators DeWine, Jeffords, Kennedy, and Wellstone introduced S. 1186, the Workforce Investment Partnership Act. The bill is intended to streamline the current Federal job training system, making it more "user-friendly" and consolidate the numerous Federal job training programs, eliminating confusing and redundant mandates and creating integrated statewide work force development systems.

EXECUTIVE SESSION

On September 24, 1997, the Committee on Labor and Human Resources met in executive session to consider S. 1186. Following opening statements in which all members of the committee enthusiastically agreed to the necessity of S. 1186, three amendments were offered.

The first was offered by Senator Kennedy. The amendment proposed striking "1999" on page 396, line 18 and inserting "1997." The purpose of this amendment was to limit the option created under the transition rules to only those State statutes which reformed State work force investment systems enacted prior to July 1, 1997. The amendment was agreed to by a unanimous voice vote.

The second amendment was offered by Senator Enzi. It proposed certain changes to sections 303, 308, and 409 for the purpose of improving the labor market information provisions. The amendment was agreed to by a unanimous voice vote.

The third amendment was offered by Senator Warner. The purpose of the amendment was to create a new Subtitle C—Twenty-first Century Workforce Commission. This new subtitle would provide for a "Twenty-first Century Workforce Commission" whose membership shall include Presidentially and Congressionally appointed governmental representatives, educators, and business representatives. The purpose of the Commission will be to "conduct a thorough study of all matters relating to the information technology work force in the United States." These matters must include "the skills necessary to enter the information technology work force; ways to expand the number of skilled information technology workers; and the relative efficacy of programs in the United States and foreign countries to train information technology workers, with special emphasis on programs that provide for secondary education or post secondary education in a program other than a 4-year baccalaureate program." The amendment was unanimously agreed to by a voice vote.

In addition to these amendments, Senator Harkin offered two amendments. The first amendment related to the Youth Opportunity Grant Program and would have made it clear that grants would be available to impoverished communities of all types including rural areas and smaller cities. The second amendment related to the Education Technology Challenge Grant Program and would have provided a state match. The Chairman agreed to work with Senator Harkin on these two issues before the legislation is considered by the full Senate and with that understanding, the amendments were withdrawn.

After the amendments were considered, S. 1186, the Workforce Investment Partnership Act was unanimously agreed to by a voice vote.

III. COMMITTEE VIEWS

The Workforce Investment Partnership Act of 1997 includes titles for adult education, vocational education, and training for adults, youth, and dislocated workers. Additionally, the legislation provides strong linkages to and coordination with welfare to work activities, the Wagner Peyser Act, the Older Americans Act, the Rehabilitation Act, the Bureau of Apprenticeship and Training, Trade Adjustment Assistance, veterans programs, and other related programs. Separate funding streams and administration are maintained, in recognition that each activity serves a distinct function. The committee believes the legislation empowers States with the tools and flexibility necessary to coordinate the policies and activities of the above programs in order to address their unique educational and employment needs.

While the legislation eliminates set-asides in order to increase State and local flexibility, it is our intent that States and localities continue to provide at least the same level of commitment to achieving gender equity.

This legislation represents the committee's bipartisan belief that our Nation needs and deserves a more effective, more efficient training and training-related education system. By removing the barriers that have stymied reform in the past, the Workforce Investment Partnership Act will provide States and localities with the framework to boldly move forward, transforming the current patchwork of programs into a comprehensive and accountable system.

Title I—Vocational, Technological, and Tech-Prep Education

VOCATIONAL EDUCATION ACTIVITIES

The increasing demands for assistance in preparing individuals for entry into the work force and the necessity for continuing learning throughout one's working career are formidable challenges. The legislation provides for the continuation of vocational education activities that have been instrumental in providing individuals with the opportunity to improve their skills. These include: integrating vocational and academic studies; establishing linkages between secondary and postsecondary education; providing comprehensive professional development, improving and expanding the use of technology in education; promoting gender equity in secondary and postsecondary vocational education; and serving individuals in State institutions such as State correctional institutions and institutions that serve individuals with disabilities. The committee intends that in addition to the required activities listed, States will also use these funds to address a State's particular work force education needs.

States are also required to develop program strategies for populations that include, at a minimum: low-income individuals, including foster children; individuals with disabilities; single parents and displaced homemakers; and individuals with multiple barriers to educational enhancement. While the legislation eliminates set-asides in order to increase State and local flexibility, it is our intent that States and localities continue to provide a commitment to gender equity programs.

The legislation requires that funds made available for work force education activities will supplement, and not supplant, other public funds expended for this purpose. States must also meet a maintenance-of-effort requirement based on the fiscal effort per student or the aggregate expenditures for vocational education in the preceding fiscal year.

VOLUNTARY SELECTION AND PARTICIPATION

No funds expended under title I shall be used to require any secondary school student to choose or pursue a specific career path or major nor to mandate participation in vocational education programs. It is not the committee's intent, however, to prohibit the use of funds for programs that require students themselves to select career paths or majors.

VOCATIONAL EDUCATION: IN-STATE ALLOCATION

Out of the total amount of funds to be used by a State for vocational education activities, 14 percent shall be reserved by the State to carry out State-level activities, not more than 10 percent or $300,000 (whichever is greater) shall be used for administrative activities ($60,000 from the amount reserved for administrative activities shall be used to carry out gender equity activities), and 1 percent of the funds or the amount the State expended in fiscal year 1997 for vocational education for criminal offenders (whichever is greater) shall be used to carry out programs for criminal offenders.

A local educational agency or an eligible institution shall submit applications to the eligible agency. Local applications shall include descriptions of the activities to be carried out and how those activities will meet the expected levels of performance.

Of the amount provided for vocational education, a State may determine the relative amounts for secondary and postsecondary vocational education. Funds provided for secondary vocational education will be distributed according to the formula in current Perkins law, which is based primarily on student counts of low-income and disabled individuals. Funds provided for postsecondary education will be distributed according to the formula in current Perkins law which gives priority to institutions serving Pell Grant recipients.

PERFORMANCE MEASURES AND EXPECTED LEVELS OF PERFORMANCE

After consultation with eligible agencies, eligible institutions, and other interested parties, the Secretary of Education establishes and publishes performance measures based on: student mastery of academic skills; student mastery of job readiness skills; student mastery of vocational skill proficiencies for students participating in vocational education programs; receipt of a postsecondary degree or certificate; placement in, retention in, and completion of, secondary school education and postsecondary education; placement and retention in employment and military service; and participation in vocational education programs relating to nontraditional employment.

In addition to the performance measures, each eligible agency will negotiate with the Secretary of Education to develop expected levels of performance for each performance measure that is established by the Secretary. The expected levels of performance will be included in each State plan. The committee believes these accountability requirements must accompany the increased flexibility the Act gives States over the design and implementation of their vocational education system.

INCENTIVE GRANTS

The Secretary of Education may award grants to those States that exceed the performance measures established under the Workforce Investment Partnership Act. In awarding the incentive grants, and only after it has been demonstrated that a State has exceeded its performance measures, a priority shall be given to those submitting a unified plan that has been approved by both the Secretary of Education and the Secretary of Labor. States awarded incentive grants shall use the grants to fund innovative programs consistent with the purposes of this Act as determined by the State.

ASSISTANCE FOR OUTLYING AREAS, INDIANS, AND HAWAIIAN NATIVES

The Workforce Investment Partnership Act authorizes funding for vocational education programs for Indians, Hawaiian Natives, and the outlying areas which include Guam, United States Virgin Islands, American Samoa, Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. In addition, the bill also continues the authorization for tribally controlled postsecondary vocational institutions.

TECH-PREP EDUCATION

The bill includes an authorization for Tech-Prep Education. This program provides implementation grants for the development and operation of tech-prep education programs leading to a 2-year associate degree or a 2-year certificate.

NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS

This legislation continues the authority for the Department of Education to conduct an independent assessment of vocational education programs. The Secretary shall appoint an independent advisory panel to advise it on the implementation of the assessment. The Secretary of Education is authorized to carry out research, development, dissemination, capacity building and technical assistance activities that promote improvements in vocational education programs, services, and activities.

NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORK FORCE DEVELOPMENT

This legislation enables the Secretary of Education to establish one or more national centers in the areas of applied research and development and dissemination and training. The Secretary shall consult with the States prior to establishing such center or centers.

Title II—Adult Education and Literacy

ADULT EDUCATION ACTIVITIES

Studies indicate that more than one-fifth of American adults possess very low literacy skills. The current adult education delivery system is a patchwork system which does not always efficiently address the needs of the individuals seeking adult education and literacy services. The legislation is designed to create a partnership among the Federal Government, States, and localities to enhance the accessibility and quality of adult education and literacy programs. The legislation provides for adult education activities that include: professional development and training; developing and disseminating curricula for adult education and literacy services; integrating literacy instruction with occupational skill training; supporting State or regional networks of State literacy resources centers; and evaluating the quality of adult education and literacy programs.

ADULT EDUCATION: STATE DISTRIBUTION OF FUNDS

Out of the total amount of funds to be used by a State for adult education activities, 80 percent shall be used to carry out local activities, of which not more than 10 percent shall be available to carry out corrections education or education for other institutionalized individuals; not more than 15 percent shall be reserved by the State to carry out State-level activities, and not more than 5 percent or $80,000 (whichever is greater) shall be reserved for administrative expenses of the eligible agency.

Each eligible provider (the local application) seeking assistance under title II is required to submit an application to the eligible agency. Eligible providers shall include descriptions of the activities carried out and how these activities meet the expected levels of performance.

The legislation requires that funds made available for adult education activities will supplement, and not supplant, other public funds expended for this purpose.

STRATEGIES FOR SPECIAL POPULATIONS

Under the Workforce Investment Partnership Act, each eligible agency is required to develop strategies for populations that include, at a minimum: low-income students; individuals with disabilities; single parents and displaced homemakers; and individuals with multiple barriers to educational enhancement.

PERFORMANCE MEASURES AND EXPECTED LEVELS OF PERFORMANCE

After consultation with eligible agencies, eligible providers, and other interested parties, the Secretary is required to establish and publish performance measures. The measures at a minimum shall include: demonstrated improvements in literacy skill levels in reading and writing the English language, numeracy, and problem solving; attainment of secondary school diplomas or their recognized equivalent; and placement in, retention in, or completion of postsecondary education, training, or unsubsidized employment. The committee believes these accountability requirements must accompany the increased flexibility the Act gives States over the design and implementation of their vocational educational system.

In addition to the performance measures, each eligible agency will negotiate with the Secretary of Education to develop expected levels of performance for each performance measure that is established by the Secretary. The expected levels of performance will be included in each State plan.

INCENTIVE GRANTS

The Secretary of Education may award grants to those States that exceed the performance measures established under the Workforce Investment Partnership Act. In awarding the incentive grants, and only after it has been demonstrated that a State has exceeded its performance measures, a priority shall be given to those states submitting a unified plan that has been approved by both the Secretary of Education and the Secretary of Labor. States awarded incentive grants shall use the grants to fund innovative programs consistent with the purposes of this Act as determined by the State.

ASSISTANCE FOR OUTLYING AREAS

The Workforce Investment Partnership Act authorizes funding for adult education and literacy programs for the outlying areas which include Guam, United States Virgin Islands, American Samoa, Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

NATIONAL INSTITUTE FOR LITERACY

This legislation reauthorizes the National Institute for Literacy (referred to as the Institute). The purpose of the Institute is to coordinate literacy services and policy related to literacy issues. The Institute is administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Health and Human Services and with the Secretary of Labor.

Title III—Workforce Investment and Related Activities

The purpose of title III is to enable each State and locality to develop a unified training system designed to assure that:

> There is coordination between all of the activities at the State and local level in order to promote program efficiency and avoid duplication of services;

Individuals seeking services have the ability to choose where, how, and what services they will receive;

The business community is a full partner, outlining the employment opportunities at the state and local level and assisting with the design of training programs; and

There is clear accountability for Federal dollars.

FUNDING AND FORMULA

The legislation authorizes "such sums as may be necessary" for each of the fiscal years 1999 through 2003 for the activities to be carried out under title III. The committee's decision not to authorize specific funding levels is not due to a lack of commitment to the programs authorized in, linked to, and coordinated with this legislation. Rather, it is a recognition that the balanced budget agreement reached between the President and the Congress will have significant impact on all discretionary spending. The committee encourages the U.S. Senate Appropriations Committee to allocate the funding necessary to meet the goals of this legislation, at the same time, respecting the intent of the balanced budget agreement.

Allocations to States

The allotments to States are based on criteria similar to the Job Training Partnership Act:

Adults: The Secretary reserves 0.25 percent for outlying areas. The remainder is distributed to States by formula, ⅓ on unemployed individuals in areas of substantial unemployment (greater than 6.5 percent), ⅓ on the excess number of unemployed individuals (greater than 4.5 percent), and ⅓ based on the number of disadvantaged adults. The small State minimum is 0.5 percent;

Dislocated Workers: The Secretary reserves 0.25 percent for outlying areas and 20 percent for National Emergency Grants. The remainder is distributed to States by formula, ⅓ on the number of unemployed individuals, ⅓ based on excess unemployment, and ⅓ on long-term (15 weeks or more) unemployment; and

Youth: The Secretary reserves 0.25 percent for outlying areas and 20 percent for Youth Opportunity Grants. The remainder is distributed by formula, ⅓ by unemployment, ⅓ by excess unemployment, and ⅓ by the number of disadvantaged youth. The small State minimum is 0.5 percent. The 20 percent reserve for Youth Opportunity Grants has a trigger, so that the funding to States by formula will not fall below the current $1 billion.

Allocations within States

The Governor of the State may reserve not more than 15 percent of each funding stream for statewide activities. Of that amount, no more than 5 percent may be reserved for administration. It is the committee's intent that the funding for statewide activities and administration be "pooled" at the State level. The statewide activities should benefit adults, dislocated workers, and youth. Further, the State shall have one administrative entity for the three funding streams.

In addition, the Governor of the State may reserve not more than 25 percent of the dislocated funds to provide rapid response activities.

The formula for in-State allocations is the same formula used at the Federal-to-State level. For adults and youth, however, the State has the option of developing a formula that targets the money more closely to impoverished areas. Such a formula would still require 70 percent of the funds being allocated by the Federal formula, but 30 percent of the funds may be allocated by a formula based on excess poverty or excess unemployment above the State average. This formula must be included in the State plan which is approved by the Secretary of Labor.

It is the committee's intent that nothing in this legislation should be interpreted to preclude the enactment of State legislation providing for the implementation for the activities authorized under title III, consistent with the provisions of this title. Additionally, any funds received by a State under title III shall be subject to appropriation by the State legislature.

At the local level, the local partnership may transfer, if such a transfer is approved by the Governor of the State, not more than 20 percent of the funds allocated to the local area for adults or 20 percent of the funds allocated to the local area for dislocated workers between adult and dislocated worker activities.

Local administration is limited to 15 percent of the funds received from each funding stream. It is the committee's intent that the funding for administration be "pooled" at the local level, with one administrative entity for the three funding streams.

The Workforce Investment Partnership Act provides for the chief elected official in a local area to serve as the fiscal agent for, and shall be liable for any misuse of, all the funds allocated to the local area, unless the chief elected official in the local area reaches an agreement with the Governor of the State for the Governor to act as the fiscal agent and bear such liability.

The fiscal agent shall disburse such funds for work force investment activities at the direction of the local partnership, if the direction does not violate a provision of this legislation. The fiscal agent shall disburse funds immediately upon receiving such direction from the local partnership. It is the committee's belief that the disbursal of funds should not be delayed by local politics or disagreements among local governmental entities.

ONE-STOP CUSTOMER SERVICE DELIVERY SYSTEMS

The cornerstone to the Workforce Investment Partnership Act is the one-stop customer service system. At the local level, the one-stop customer service system will assure coordination between the activities authorized in, linked to, and coordinated with this legislation as well as allow for a central point of entry to various job training programs, providing a "no wrong door" approach to service delivery.

The bill requires States to establish at least (1) one-stop in each local area where the activities of the local participating entities must be accessible to all individuals seeking assistance. The participating entities, called one-stop partners, must include providers of job training activities, employment service activities, unemployment insurance, vocational rehabilitation, adult education, title V of the Older Americans Act, and veterans activities. One-stops may also include other relevant agencies and providers of supportive services, such as the public assistance agency, housing agency, or child-care providers.

One-stop partners are designated by the local partnership and local chief elected official. Each one-stop partner must enter into an operating agreement with the local partnership and the one-stop operator which outlines what services will be provided through the one-stop customer service system, how the costs for such services and the operating costs of the system will be funded, the methods of referral of individuals between the one-stop customer service operator and the one-stop partners, the monitoring and oversight of the activities carried out under the agreement, and the duration of the agreement.

Operators of one-stop centers may be public or private entities and also selected by the local partnership and chief elected official. The one-stops will administer the individual training accounts as well as provide the core services which must include: determination of eligibility, intake and orientation, initial assessment of skill level, case management assistance, job search and placement services, employment information, performance information about eligible providers of training services, information regarding unemployment compensation, assistance in establishing eligibility for welfare-to-work activities and financial aid assistance for training and education programs not authorized under this legislation, and follow-up services for up to a year, as well as coordinating the services of the one-stop partners.

One-stop customer service centers may provide additional core services, such as customized employment services to individuals seeking assistance and employers, supportive services for adults and youth, and needs-related payments to dislocated workers.

CONSUMER CHOICE

The Workforce Investment Partnership Act of 1997 fundamentally changes the way that training and training-related education services are provided to adults seeking assistance. Today, private industry councils (PIC's) purchase “slots” or “seats” with various local service providers or directly provides the training services. Individuals seeking assistance are limited to choosing from those specific providers even if the training available does not meet their specific employment interest. Additionally, the current system has been criticized for not meeting the employment needs of the local area. Finally, PIC's directly providing training services can result in a conflict of interest. For the above reasons, the Workforce Investment Partnership Act prohibits local partnerships, the successors to PIC's, from contracting for or directly providing training services. All services for adults must be delivered through “individual training accounts” which are based on a consumer choice model.

Eligible providers

Under this legislation, programs offering training are certified by a State agency designated by the Governor of the State. Programs offered at postsecondary educational institutions that are eligible for funding under title IV of the Higher Education Act and that lead to a degree or certificate are automatically certified (initially). Programs offered by other private and public training providers, not eligible for title IV funding, will be initially certified through a process developed by the Governor. After initial certification, all providers will have to meet performance levels based on completion, placement and retention rates, and earnings of their participants.

Once programs are certified, the responsible State agency is to compile a list of programs together with the performance data for distribution to the local partnerships and one-stop customer service centers. At the local level, local partnerships may modify the list of eligible providers by reducing the number to ensure a match between the local employment opportunities and the providers. Additionally, the local partnership may require an eligible provider to meet higher performance levels.

Individual training accounts

Job training and training-related education services for adults are delivered through individual training accounts. Through the one-stop customer service system, adults seeking assistance will receive initial assessments, information about employment opportunities and job skills required, and information about service providers and programs. Case management, such as general guidance or recommendations for basic skills training, will be provided to varying degrees, based on a case-by-case judgment by the case manager. The adult seeking services will have access to lists of individual providers, and will be able to see each provider's success rates in placing their participants in jobs, the earnings of those participants, and other data relevant to the decision. The ultimate decision about what field to pursue and which provider to select is the participant's.

Upon selection, the case manager will make a referral and arrange for payment through an individual training account.

PERFORMANCE MEASURES

The Workforce Investment Partnership Act shifts accountability for Federal dollars from process to results. The legislation focuses on whether individuals (adults) were prepared for and obtained meaningful, unsubsidized employment. The legislation will require an accountability mechanism so that taxpayers will know precisely the return on Federal dollars. The committee believes that these minimum Federal requirements are a reasonable quid pro quo for giving States and localities the flexibility to design and implement their own systems.

Each State will establish the core performance measures which include a performance indicator and a performance level. For example the performance indicator may be the graduation rate of the training provider and the performance level would be a graduation rate of 80 percent. The State's core performance measures must be included in the State plan, with the Governor of the State and the Secretary of Labor negotiating the level of performance. At the local level, the local plan will establish local core performance measures, with the Governor of the State and the local partnership negotiating the performance level.

Performance measures for the core services available through the one-stop customer service system and adult training provided include: placement in unsubsidized employment related to the training received; retention in such employment for 6 and 12 months; the wages received over 6 and 12 months; and the percentage of wage replacement (dislocated workers only).

The core performance measures for youth include: attainment of secondary school diplomas or their equivalents; attainment of job readiness and employment skills, placement in, retention in, and completion of postsecondary education, advanced training, or apprenticeship; as well as the performance measures outlined above for adults.

Additionally, the core performance measures must include an indicator of performance with respect to customer satisfaction of employers and participants.

States must, at a minimum, show how they are meeting these goals for disadvantaged adults, dislocated workers, out-of-school youth, and individuals with disabilities. Displaced homemakers are specifically included in the definition of dislocated workers, and are to be considered as such.

Finally, States must establish an accountability system to maintain data relating to these measures, using existing quarterly wage records available through the unemployment insurance (UI) system. Only a few States currently utilize UI wage record data as a resource to measure the effectiveness of job training and training-related education programs, even though the data is highly reliable and easily accessible. In expanding the use of UI wage record data, however, a provision should be made to protect the privacy of individuals. The committee believes that in order for States to be able to collect the data which will be useful in measuring progress toward meeting their performance measures in a cost effective manner, such a system must be utilized.

PARTNERSHIPS

Statewide and local partnerships, led by the employers, will develop the strategy for the comprehensive State work force investment system. It is the committee's intent that the partnerships at the State and the local level be "policy entities" outlining the employment, training, and skill needs, not entities burdened by bureaucratic and administrative duties.

Further, the committee believes that the design of the State's work force investment system should be based on local employment needs which, by necessity, require the active involvement of the employers. Private sector businesses, which ultimately provide the jobs, are an integral part of the system. Too often in the past, training programs have not been connected to available employment opportunities. By and large, employers and individuals seeking assistance have lost confidence in the current public system because the programs do not provide individuals with the skills necessary to succeed in the workplace. Consequently, many consumers, job seekers and employers, have turned to nonpublic systems to locate, select, and train employees.

In the committee's view, where employers have volunteered time and effort, and have become actively involved on the State and local level, the training has been most effective. Unfortunately, such participation cannot be mandated by law. It is the hope and intention of this committee that employer involvement and leadership will become one of the highest priority of States and localities when designing and implementing statewide work force investment systems.

Statewide partnership

The members of the statewide partnership include: individuals appointed by the Governor of the State (a majority of members must be representatives of business with optimal policy making or hiring authority that reflect the employment opportunities of the State, chief elected officials representing cities and counties, labor organizations, eligible agency officials responsible for adult education and vocational education, the State official responsible for vocational rehabilitation, and other State officials the Governor may designate) and two members of each chamber of the State legislature, appointed by the presiding officer of the chamber. The Governor of the State will appoint the chairperson of the statewide partnership from among the business membership.

The statewide partnership is responsible for developing a 3-year State plan which outlines the strategy for the State work force investment system, establishes the State performance measures, identifies the employment opportunities within the State, divides the State into work force investment areas, and assures coordination between the activities authorized in, linked to, and coordinated with the legislation.

The statewide partnership is also responsible for advising the Governor on the development and the continuous improvement of the State work force investment system, assisting the Governor on preparing the State annual report, and assisting the Governor in the development of the State labor market information system.

The Governor of the State has final authority to determine the contents of and submit the State plan to the Secretary of Labor. Prior to submission, the plan must be made available to the public and all comments that represent disagreement must be included with the plan that is submitted to the Secretary.

Local work force investment areas and local partnerships

The Governor of the State will designate local work force investment areas in the State in accordance with the requirement established in the State plan. The Governor shall approve requests for designation as a local area from any unit of general local government with a population of 500,000 or more. A county with a population of 500,000 or more may request such designation only with the agreement of the political subdivisions within the county with populations of 200,000 or more. Single units of general local government with populations of 200,000 or more that are currently service delivery areas under JTPA shall have an automatic right to request designation as a local area. The Governor of any State determined to be eligible to receive a small State minimum allotment may designate the State as a single area. Once the boundaries for the local areas are determined, they shall not change except with the approval of the Governor.

While the committee provides States with the flexibility necessary to determine the size and number of work force investment areas to be established within States, the committee believes that regional cooperation and coordination of services should be paramount in the decision making process. The committee further believes that the 600 plus SDA's established under JTPA have been a burden to the system and that the number should shrink significantly under the Workforce Investment Partnership Act.

Local partnerships will be established in every local work force investment area. The members of the local partnership are appointed by the chief elected official at the local level based on the criteria established in the State plan. The members of the local partnership shall include: a majority of representatives of business with optimal policy making or hiring authority that reflect the employment opportunities of the local area; chief officers representing local postsecondary institutions, and representatives of vocational education and adult education providers; chief officers representing labor organizations; and chief officers representing economic development agencies, including private sector economic development entities. Additionally, the chief elected official may appoint chief officers from one-stop partners and other individuals representing entities that the chief official deems appropriate. The members of the local partnership will elect a chairman from among the business membership.

In a case in which the local work force area includes more than one unit of general government, the chief elected officials of such units may enter into an agreement that specifies their respective roles, including how members of the local partnership will be appointed. If an agreement cannot be reached, the Governor of the State will appoint the members of the local partnership.

Similar to the statewide partnership, the local partnerships will provide more of a policy making function than an administrative function as currently performed by PIC's. Local partnerships are responsible for developing, jointly with the chief elected official, a 3-year local plan which describes the work force investment system established in the local area which will be submitted to the Governor for approval. If the local partnership and the chief elected official in the local area cannot agree on the local plan, the Governor may develop the plan.

Additionally, the local partnerships are responsible for assuring coordination between the activities authorized in, linked to, and coordinated with the legislation, identifying the local employment opportunities as well as the skills and training necessary to obtain local employment opportunities, selecting one-stop operators and overseeing the one-stop customer service system, and establishing local performance measures.

Local partnerships are prohibited from contracting for or directly providing training services. However, the legislation provides for a waiver to the above prohibition if the local partnership can demonstrate to the Governor of the State that a private or public entity is not available to provide a particular training service and that service is necessary to provide an employment opportunity described in the local plan.

Recognizing that the needs of youth are different from adults, youth partnerships are established at the local level to coordinate services for youth seeking assistance, award grants to providers of youth services, develop the portions of the local plan relating to youth, and duties determined to be appropriate by the chairperson of the local partnership. It is the committee's intent that youth partnership will be subgroups of the local partnerships, not separate entities.

The committee does not intend for the youth partnership to use any funds provided by this legislation to develop or implement local school system education curricula, carry out activities that duplicate federally funded activities available to youth in the local area, or provide an activity for youth who are not school dropouts if participation in the activity would interfere with or replace the regular academic requirement of youth.

The members of the youth partnerships are appointed by the chairman of the local partnerships and include: one or more members of the local partnership; representatives of youth service agencies, including juvenile justice agencies; representatives of local housing authorities; parents of youth seeking assistance; individuals, including former enrollees, and representatives of organizations that have experience relating to youth activities; representatives of Job Corps, as appropriate; and other individuals as the chairman of the local partnership deems appropriate.

The Governor of the State will annually certify one local partnership for each local work force investment area. The criteria for the initial certification is that the membership meets the requirements established by the legislation. Certification for subsequent years will be based on the ability of the local partnership to meet the performance measures established in the local plan. Failure of the local partnership to meet certification shall result in the reappointment and certification of another local partnership.

Additionally, the Governor of the State may decertify a local partnership at any time for fraud or abuse, or failure to carry out the responsibilities assigned to the local partnership. If a local partnership is decertified, the Governor may require the members of the local partnership to be reappointed and certified pursuant to a plan developed by the Governor after consultation with the chief elected official in the local area.

The committee also urges the Nation's Governors to use the authority provided to them to certify and decertify local partnerships when necessary. The loudest complaint the committee heard regarding the PIC's has been that the poor performers where allowed to continue to operate without corrective action. If this continues, individuals seeking assistance and the business community will continue to avoid the public system. The committee believes the Governor of the State should take quick action to stop fraud or abuse, or failure to meet local performance measures.

ALLOWABLE ACTIVITIES

Statewide activities

Rapid Response—The Governor of the State may reserve not more than 25 percent of the dislocated funds to provide rapid response activities. States are required to provide rapid response to dislocated workers from such funds in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible. Rapid response activities will be carried out at the local level by the State, working in conjunction with the local partnership and the chief elected official in the local area.

Other Required Statewide Activities—The Governor of the State may reserve not more than 15 percent of each funding stream for statewide activities. Of that amount, no more than 5 percent may be reserved for administration. It is the committee's intent that the funding for statewide activities and administration be "pooled" at the State level. The statewide activities should benefit adults, dislocated workers, and youth. Further, the State shall have one administrative entity for the three funding streams.

The statewide activities shall include: disseminating the list of eligible providers of training services; conducting evaluations of the services provided; incentive grants to local areas for regional cooperation, coordination and nonduplication of activities carried out under this legislation; providing technical assistance to local areas that fail to meet local performance measures; assisting in the establishment of and operation of a one-stop customer service system and the operation of a fiscal and management accountability information system.

Allowable statewide activities include: administration; identification and implementation of incumbent worker training programs and local training activities.

Activities for adults

Adults seeking assistance under title III must be at least 22 years old. Additionally, eligibility for adult services under this legislation is not contingent on income; however, a State may give a priority to disadvantaged adults if funding is limited. The Governor of the State and local partnerships are to direct the one-stops in making priority determinations. To be eligible for training, a participant must be unable to obtain or retain employment without training, in the opinion of the case manager, and unable to obtain other grant assistance. Services available to adults at the local level may include: employment skills training, on-the-job training, job readiness training, adult education when combined with one of the other training activities, and other services deemed appropriate by the local partnership. In addition, individuals seeking assistance may draw upon the core services provided through the one-stop customer service system.

Activities for dislocated workers

While the funding for dislocated workers is independent, dislocated workers are eligible for the same services available to the adult pool through the one-stop customer service system. Needs-related payments continue to be available to dislocated workers who no longer qualify for unemployment compensation.

Benefits and Working Condition—Since participants in on-the-job training are conferring a benefit as well as receiving valuable training, the bill requires that trainees receive equal benefits and compensation as other trainees or employees similarly situated. It also treats participants in employment situations as employees for health and safety standards and workers' compensation.

Anti-displacement—One of the principles underlying this legislation is that preparing individuals for long-term employment must not diminish the opportunities for incumbent workers. The bill thus contains strong antidisplacement language. It prevents employers from not only laying off workers in favor of trainees or graduates of work force investment programs, but also prohibits partial displacement, such as reduction in nonovertime hours or benefits. Furthermore, participants may not fill jobs that would infringe on promotional opportunities of incumbent workers.

Activities for youth

The Workforce Investment Partnership Act places a high priority on furthering the opportunities for youth. Given the increasing importance of education in securing long-term employment with growth potential, the bill requires youth activities to include tutoring and instruction leading to the completion of secondary school and dropout prevention and alternative secondary school for out-of-school youth in addition to employment skills training. A summer jobs program remains a required part of local partnerships' youth programs, but the extent of the summer jobs program is a local decision. The youth activities also emphasize linkages between academic and occupational learning, mentoring, and follow-up services.

Eligibility for youth activities must be not less than age 14 and not more than age 21, low-income and an individual who is 1 or more of the following: deficient in basic literacy skills; a school dropout; homeless, a runaway, or foster child; pregnant or a parent; an offender; or an individual who requires additional assistance to complete an educational program, or to secure and hold employment.

Because the funds provided under this legislation are intended to provide a "second chance" or in some cases, a "last chance," to youth seeking assistance, the committee believes that the most, at-risk youth should be targeted. For that reason, 50 percent of the youth served under this legislation must be out-of-school youth. Out-of-school youth is defined as a youth who has school dropout or a youth who has received a secondary diploma or its equivalent, but is basic literacy skills deficient, unemployed, or underemployed.

The committee urges individuals at the State and local level, and especially youth partnerships, to examine what is working and not working for the youth this legislation is intended to assist prior to awarding youth grants. It is the committee's belief that the current trend of only providing short-term youth programs is unacceptable.

Recently, the American Youth Policy Forum published "Some Things Do Make a Difference for Youth: A Compendium of Evaluations of Youth Programs and Practices" (p. viii, American Youth

Policy Forum, 1997). The purpose of the compendium was to highlight various successful youth programs and principles due to the widening public belief that "nothing works," particularly for at-risk and disadvantaged populations.

Past research has shown that most youth will not emerge from a short-term, 3 to 6 month education or employment training program well-equipped to find stable, long-term places in the labor market. On the contrary, the network of supports and handholds that young people need to make their way needs to be rich and multipathed, not quick and cheap.

Yet, even as the basic lesson of long-term intervention was documented, the national policy turn in 1982 under JTPA was to strategies for young people that emphasized low costs and short-term interventions. Many of these strategies differ little from those used in programs designed for adults. These programs reflected much of what had been proven wrong, not right, about interventions on behalf of young people.

The American Youth Policy Forum has established "Guiding Principles" in their evaluation based on broad and fundamental principles that have been identified by researchers and practitioners in the youth field. These principles are:

1. Adult support, structure, and expectation:

A. Effective youth initiatives connect young people with adults who take time with young people, who advocate and broker on their behalf, who guide them, who connect them to the broader institutions of society, and who have the training and professional skills to help them develop and grow, are central to effective youth policies and programs.

B. The programs that are most effective are those that stress coherence and structure, that offer challenging content, that give young people responsibility, and that establish rules and set practical limits for young people.

C. Committed and skilled adults along with youth interventions that set clear and high, yet attainable, expectations are essential to successful results.

2. Creative forms of learning:

A. The inculcation of basic and high level skills and knowledge, Secretary's Commission on Achieving Necessary Skills (SCANS) competencies and an on-going desire to learn should pervade initiatives serving youth.

B. Youth program settings need to make learning an ongoing challenge for young people with materials that are attuned to the interests of the learners; and to provide effective pathways for young people to finish high school and move successfully into college or other forms of postsecondary training. Work-based learning, with its emphasis on experiential learning can be a powerful tool in creating an effective learning environment.

3. A combination of guidance and rich connections to the workplace:

A. Young people, especially inner city youth, need connections to jobs and employers.

B. Young people need encouragement to learn how to work, so they can grow as a result of their work experiences, succeed and

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sometimes (without excessive penalty) fail, and develop sound perspectives on work and careers.

C. Young people will frequently need support that extends beyond the initial job placement point to include interpersonal involvement from adults to become, over time, better and more effective workers.

4. Support and follow up:

A. Trust is important factor to connect young people, and particularly youth whose connections to social institutions may be weak (or adversarial) need to develop trust and adult and peer relationships in any setting. Building these relationships create a setting of which young people can become part of.

B. Programs with a strong follow-up mechanism built into the design have better student outcomes.

C. Referrals, especially coupled with effective case management, are a necessary service to offer youth, whether in tandem with their own activities or as next steps in a progression of coordinated activities and services.

D. The policies must stress both the quality of individual initiatives and the richness of the support network available for young people. Where youth knew the adults and had formed a connection, they worked better.

5. Youth as resources:

A. Young people need to know that they can be resources to help them improve their lives.

B. Allow young people to participate in the solution of many of their own problems and act as solid contributors to their own, and their communities, growth.

6. Implementation quality:

A. Sites where they have followed the program design showed the best results. Problems in the implementation of the program design, not necessarily the program itself, were more likely the cause of poor performance.

B. For a program to be effective, it must also recognize the importance of a well-executed design, coupled with evaluation and continuous improvement methods to work.

C. Initiatives require flexibility to both local needs and proven methodologies.

JOB CORPS

It is the committee's intent to substantially change and improve the Federal Job Corps program; recruitment, assignment, training, and placement. Each component of the Job Corps's training process will be linked to each other and the employment demands and opportunities in the communities to which Job Corps graduates return.

Job Corps recruiting patterns will now be governed by an analysis conducted initially on the state level and expanded to the Job Corps regional level. The analysis will first take into consideration the potential number of eligible youth the State as well as the in the region and second, assure that Job Corps centers reflects those numbers by establishing recruitment goals. Furthermore, Job Corps recruiters must take into account the recommendations of the State's Governor and local partnerships.

Once recruited and enrolled in the Job Corps program, it is the committee's intent to ensure that an enrollee is assigned to the Job Corps center closest to his or her home. To do so, there are required linkages between the Job Corps centers and the communities to which enrollees will return upon their graduation to find work. One such connection is the required relationship between the centers and the applicable one-stops in such communities.

It is the committee's intent that there are only four exceptions to this rule: (1) the enrollee chooses a training program or requires an English as a second language program that is not available at the Job Corps center closest to his or her home; (2) the enrollee is disabled whose needs may best be served at a different center; (3) the enrollee's participation would be unduly delayed because the center closest to his or her home is full; and (4) the enrollee's parent or guardian requests assignment for the enrollee at another center because of adverse circumstances at home or in the community.

It is the committee's intent to significantly improve the methods by which a Job Corps's training curriculum is decided and implemented. To do so every Job Corps center must have an industry council whose membership will be comprised of business owners, chief executive officers of nongovernmental employers and other private sector employers. It is the committee's intent that local partnerships should be utilized when establishing industry councils. The council's responsibilities will be to evaluate the labor market information and the employment needs in the communities to which the center's graduates will return as well as determine and recommend to the Secretary the types of vocational training that should be offered at the center.

It is the committee's intent to affect the Job Corps' community relations and placement through the establishment of Business Community Liaisons. Every Job Corps center must have a Business Community Liaison whose primary responsibilities include: founding and developing relationships and networks with employers, one-stop centers, and local partnerships to whom the Job Corps center's enrollees may look for employment following graduation.

It is the committee's intent that Job Corps center operators and service providers be selected on a competitive basis. In making this selection, the Secretary of Labor must consider: the entity's ability to coordinate activities carried out through the Job Corps center with the activities carried out under the appropriate State and local plans, the degree to which the training the entity proposes providing reflects the needs of the area or the areas to which graduates will return, the degree to which the entity is familiar with the local entities and applicable one-stops, and the entity's past performance, if any.

It is the committee's intent to ensure accountability for the Job Corps program. In doing so, the Secretary of Labor is required to establish core performance measures for Job Corps centers including, but not limited to: the number of graduates from each center analyzed by their vocational training, the number of graduates who entered unsubsidized employment related or unrelated to their vocational training, graduates' average wage after 6 months and 12 months, and how many graduates retained their employment 6 months and 12 months following their graduation. For those Job Corps centers that fail to meet these performance measures, the Secretary of Labor will develop an improvement plan that may include any of the following: technical assistance, changing the vocational training offered at the center, changing the center's management staff, replacing the operator, reducing the center's capacity, relocating the center, or closing the center altogether.

It is the committee's intent that in the siting of new Job Corps facilities, a priority should be given to those States which currently do not have a Job Corps facility and which have a substantial population of eligible youth and have a high level of interest in the program.

NATIONAL ACTIVITIES

Youth Opportunity Grants—The Workforce Investment Partnership Act provides for the Youth Opportunity Grant program which was broadly outlined in the budget agreement. The Secretary of Labor shall reserve 20 percent of the youth funding stream for Youth Opportunity Grants, however, the funding mechanism for such grants has a trigger, so that the funding to States by formula will not fall below the current $1 billion. The President's proposal for Youth Opportunity Grants included an authorization for $250 million.

The purpose of the grants is to provide local partnerships with additional resources to provide activities for youth to increase the long-term employment of eligible youth who live in Empowerment Zones, Enterprise Communities, and other high poverty areas by competitive grants. The activities provided should be based on the activities, connected with, and linked to the youth activities described in the "Allowable Activities" section for youth. Additionally, these grants carry with them added responsibilities, including demonstrations of local support and leveraging of community resources, intensive job placement services, and longer followup of participants. One Youth Opportunity Grant is earmarked for migrant farmworker youth.

Incentive Grants—It is the committee's intent to provide additional funds to those States exceeding their performance measures for each title in this act. Additionally, the Secretary of Labor, shall give a priority to States that submit a unified plan. The secretary shall only give a priority to States that first exceed their performance measures for each title. Incentive grants awarded to States are to be used to carry out innovative programs consistent with the purposes of this Act as determined by the State.

Technical Assistance—It is the committee's intent to provide technical assistance to States in making the transition from JTPA system to the Workforce Investment Partnership system. It is also the committee's intent to provide technical assistance to those States not meeting their performance measures in general and for dislocated workers in particular.

Demonstration, Pilot, Multiservice, Research, and Multistate Projects—Pursuant to this reformed portion of the Workforce Investment Partnership Act, the Secretary will develop a plan every 5 years outlining the Federal Government's plans for pilot and demonstration programs. It is the intent of the committee, that any research projects that are made a part of the plan only after those projects described in this section and only as the remaining funds therefore allow.

Those projects are intended to provide for in this section are intended to identify innovative and effective or best practices within the States and disseminate those practices to the rest of the States and incorporate them into the Workforce Investment Partnership system.

Evaluations—It is the committee's intent to continue providing for evaluations of the Federal job training system to determine its effectiveness. The evaluations should address: the general effectiveness of such programs and activities in relation to their cost; the effectiveness of the performance measures relating so such programs and activities; the effectiveness of the structure and mechanisms for delivery of services through such programs and activities; the impact of the programs and activities on the community and participants involved; the impact of such programs and activities on related programs and activities; the extent to which such programs and activities meet the needs of various demographic groups; and such factors as may be appropriate.

Additionally, the Secretary of Labor may also conduct evaluations of other federally funded programs including: Wagner-Peyser Act; National Apprenticeship Act; Older Americans Act; and Federal unemployment insurance programs.

Evaluations conducted under this title shall utilize appropriate methodology and research designs, which may include the use of control groups chosen by scientific random assignment methodologies.

National Emergency Grants—The Secretary of Labor shall reserve 20 percent of the dislocated worker funding stream for National Emergency Grants. The purpose of the grants is to provide the Federal Government with the ability to respond to mass layoffs, natural disasters, and other severe dislocations.

Finally, Job training services for native Americans, migrant and seasonal farmworkers, and veterans will continue under this legislation, virtually unchanged from how the programs operate under JTPA.

TITLE IV—WORK FORCE INVESTMENT RELATED ACTIVITIES

RELATIONSHIP BETWEEN ONE-STOPS AND THE UNEMPLOYMENT COMPENSATION SYSTEM

Employers currently pay taxes (Federal Unemployment Tax or FUT) to support the administration of an unemployment compensation system. Unemployment trust fund moneys are used for unemployment benefits, the administration of unemployment insurance, and the Employment Service. The Employment Service, established by the Wagner-Peyser Act of 1933, is the job link for the unemployed or dislocated workers and employers. The Employment Service was created as a means to assist the unemployed to reenter the work force as quickly as possible, thereby reducing payments for unemployment benefits and reducing employer taxes.

The mission of the Employment Service is similar to the mission of the one-stop customer service centers in this bill. The committee anticipates that many States will build their work force investment systems upon existing service delivery mechanisms. Some States may follow the model Ohio has adopted which has been to convert local employment security offices into one-stops that offer a central core of integrated employment and training services, with the Employment Service as the lead State agency administering the program. In other States, Employment Service personnel are participating in one-stop customer service centers that are managed by private companies.

The committee believes that coordinating the activities performed by the Employment Service and the statewide work force investment system will improve and strengthen services for all individuals seeking assistance, and particularly for workers in transition who are receiving unemployment benefits. Developing better labor market information, and making such information more accessible to individuals, will facilitate the return to work for many workers and reduce unemployment benefits. The committee believes that coordination between the Employment Service and the State work force investment system will provide consumers, job seekers and the business community, with a more efficient system. It is the committee's intent that States ensure the continued linkage between the unemployment insurance system and such reemployment services.

Finally, it is the committee's intent that States ensure that the dedicated employer taxes which currently support these activities continue to be used exclusively for those purposes.

Labor market information

The committee believes labor market information (LMI) is an essential structural element supporting all other programs and services under the Workforce Investment Partnership Act. The legislation builds on the foundation of existing national data programs to create a nationwide system for information that will be integrated from local to State to national levels and comparable across States, enabling employers and job seekers to make informed choices.

The committee finds that, despite widespread consensus about the kinds of data and information that should be included in an LMI system and that are described in the legislation, current LMI activities are simply not organized to produce them efficiently. Gaps in information, duplication of effort, and confusion of responsibilities can best be addressed by consolidating the currently fragmented governance structure for LMI.

Consolidation at the Federal level underscores the responsibility of the Secretary of Labor and recognizes the key role of the Bureau of Labor Statistics (BLS) in LMI. The Secretary, in addition to rationalizing data responsibilities within the Department of Labor, will be responsible for coordination with all other interested federal agencies. The Bureau of Labor Statistics, which maintains essential LMI programs, has the expertise and the historical mission to design data and develop the LMI system. BLS fits the requirement that the agency charged with LMI responsibilities should be a neutral source, trusted by all education and training deliverers, and not itself a service deliverer. This requirement accords with the committee's vision that LMI should be the common element integrating the various institutions that deliver workforce development services.

In the States, the Governor of the State will name a single agency to carry out LMI activities. This design will enable within-state consolidation paralleling that at the Federal level. In naming the State's LMI agency, Governors will need to maintain current linkages with the Unemployment Insurance program, data from which undergirds LMI programs.

The legislation creates a unique Federal-State partnership by engaging the State LMI directors with BLS in joint planning and priority-setting for LMI for the fiscal year succeeding the one in which the plan is developed and for the following 5 years. This substantive role for the States will ensure attention to State and local data needs, responsiveness to consumer demands from employers and job seekers, and true cooperation between the Federal agency and State LMI agencies. The provision for peer election of State LMI directors to work with BLS in the development of the annual plan for LMI maintains the historically nonpartisan and independent nature of the data collection effort.

The Secretary of Labor should use the existing authorization in Section 14 of the Wagner-Peyser Act, to provide a unified funding stream for LMI, distributed on the basis of relevant labor market factors with adequate base funding for all states. Analysis, dissemination, training for data users, technical assistance, and research and development are integral components of each data program and must be funded accordingly.

LINKAGES

The stated purpose of the Workforce Investment Partnership Act of 1997 is to assure that there is coordination between all activities authorized in, linked to, and coordinated with this legislation to promote efficiency and avoid duplication at the State and local level. To achieve that goal, the Workforce Investment Partnership Act authorizes the largest job training and training-related education programs. Additionally, the legislation creates mandatory linkages to assure coordination in the following statutes: the Trade Act of 1974; the National Apprenticeship Act; Veterans Employment Programs; and the Older Americans Act of 1965. Additionally, it is the committee's intent to add the Rehabilitation Act as a new title to this legislation when it is considered by the full U.S. Senate.

The committee would provide additional mandatory linkages to other training-related programs if it had the jurisdictional authority. However, throughout the legislation, planning requirements, one-stop customer service centers, and partnerships, States and localities are provided with the framework to boldly move forward, transforming the current patchwork of programs into a comprehensive and accountable system while preserving the integrity of the federal programs.

TWENTY-FIRST CENTURY WORKFORCE COMMISSION

The shortage of skilled workers is one of the most critical issues facing the United States information technology industry today. Our position as world leader in this industry is threatened—not by technology—but by a shortage of individuals with the skills necessary to enter the workforce. According to some estimates, there is a shortage of nearly 200,000 workers nationwide, the economic impact of which will be felt in every state and industry. This 2.5 million person industry is projected to nearly double in size by the year 2000.

This legislation establishes a Twenty-First Century Workforce Commission to evaluate to scope of the technology skills shortage in the workforce. The commission will be comprised of industry leaders, educators, and government officials who will study this issue and provide the President and Congress with potential solutions. The commission will highlight and craft the solutions necessary to encourage more students to enter technical fields, to ensure that teachers and schools are equipped to train them, and to incorporate the best private sector initiatives. The commission will bring national focus and attention to this issue, and will report its recommendations to the President and to Congress within the year.

Title V—General Provisions

STATE UNIFIED PLANS

The purpose of the unified plan provision is to permit and encourage the submission of State unified plans, to assure coordination and to avoid duplication between activities authorized in, linked to, and coordinated with the Workforce Investment Partnership Act of 1997. It is the committee's belief that this section is vital to the success of this legislation and vital to providing States and localities with the ability to establish a comprehensive system.

In a State that elects to develop a State unified plan, the plan shall contain planning provisions, which shall be developed in a manner that substantially reflects the planning provisions of the Federal statutes included in the plan. The plan shall be developed by the statewide partnership, modified as appropriate, with the agreement of the Governor of the State and the head(s) of the appropriate State agency(ies) with the authority to carry out a program or activity.

After the Governor of the State and the head(s) of the appropriate State agency(ies) approve the portions of the State unified plan that relate to their programs or activities, the State may submit the plan to the appropriate Secretaries. Each appropriate Secretary shall have the authority to approve the portion of the State unified plan for which the Secretary has authority. Upon the approval of the Secretary, the portion of the State unified plan relating to the programs and activities of which they have authority shall be implemented by the State pursuant to the State unified plan.

TRANSITION PROVISIONS

The Secretaries of Labor and Education shall take the appropriate steps to provide for the orderly transition from the authority under current law to the authority under the Workforce Investment Partnership Act of 1997. States must implement this legislation by July 1, 1999. However, States may implement the act at any time prior to July 1, 1999.

Additionally, this legislation "grandfathers" comprehensive State work force investment reform. If a provision of this Act conflicts with a State statute implemented prior to July 1, 1997, a State shall not be required to comply with that provision.

IV. COST ESTIMATE

To be provided.

V. REGULATORY IMPACT STATEMENT

The committee has determined that the bill may result in some additional paperwork, time, and costs to the Department of Labor and the Department of Education, which would be entrusted with implementation and enforcement of the act. It is difficult to estimate the volume of additional paperwork necessity by the act, but the committee does not believe it will be significant.

VI. APPLICATION OF THE LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1, the Congressional Accountability Act (CAA), requires a description of the application of this bill to the legislative branch. S. 1186 repeals the Carl Perkins Vocational Education Act, the Adult Education Act, the Job Training Partnership Act, and related programs. Therefore, S. 1186 does not amend any act that applies to the legislative branch.

VII. SECTION-BY-SECTION ANALYSIS

SHORT TITLE AND TABLE OF CONTENTS

Section 1(a) specifies the title of the legislation, The Workforce Investment Partnership Act of 1997.

Section 1(b) lists the table of contents.

Section 2 lists the definitions used throughout S. 1186.

Title I—Vocational, Technological, and Tech-Prep Education

Section 101. Short title

Section 101 specifies the name for title I which is the Carl D. Perkins Vocational and Applied Technology Act of 1997.

Section 102. Findings and purpose

Section 102(a) lists the findings for title I.

Section 102(b) establishes the purpose of title I which is to develop the academic, vocational, and employability skills of secondary and postsecondary students who elect to participate in vocational education.

Section 103. Voluntary selection and participation

Section 103 specifies that no funds under title I of this act will be used to require any secondary school student to choose or pursue a specific career path or major and to mandate that any individual participate in vocational education.

SUBTITLE A—VOCATIONAL EDUCATION

CHAPTER 1—FEDERAL PROVISIONS

Section 111. Reservations and State allotment

Section 111(a)(1) specifies the percentages that the Secretary will use to carry out vocational education programs for outlying areas, Indians, Hawaiian Natives, Tribally Controlled postsecondary vocational institutions, incentive grants, the National Assessment of Vocational Education programs, the National Research Center, and data systems.

Section 111(a)(2) establishes the State allotment formula.

Section 111(a)(3) establishes the small State minimum.

Section 111(a)(4) establishes a hold harmless provision based on fiscal year 1997 State allotments.

Section 111(b) establishes reallotment criteria for the Secretary under certain conditions.

Section 111(c) establishes the State allotment ratio.

Section 112. Performance measures and expected levels of performance

Section 112(a) establishes performance measures after consultation with eligible agencies, representatives of business and labor organizations and other interested individuals. The Secretary will establish and publish performance measures which will assess the progress in the following areas: student mastery of job skills; student mastery of job readiness skills; vocational skill proficiencies for students in vocational education programs; receipt of a postsecondary degree or certificate; placement, retention, completion of secondary school education and postsecondary education, placement, retention in employment and military services; and participation and completion of nontraditional vocational education programs leading to nontraditional employment, as well as other measures as developed by the Secretary.

Section 112(b) establishes expected levels of performance. Each eligible agency will negotiate with the Secretary the expected levels of performance for the performance measures as described in 112(a).

Section 113. Assistance for outlying areas

Section 113 describes the reservation of funds for outlying areas and establishes a special rule regarding funds made available to the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Section 114. Indian and Hawaiian native programs

Section 114(a) includes definitions for Bureau funded school and Hawaiian Native.

Section 114(b) allows the Secretary of Education to award grants or contracts with Indian Tribes, Tribal Organizations, or Bureau funded schools to conduct programs consistent with this title.

Section 114(c) allows the Secretary of Education to award grants or contracts with organizations serving Hawaiian Natives to conduct programs consistent with this title.

Section 115. Tribally controlled postsecondary vocational institutions

Section 115 (a) and (b) allows the Secretary of Education to make grants to Tribally Controlled postsecondary vocational institutions.

Section 116. Incentive grants

Section 116(a) enables the Secretary to make grants to States that exceed the performance measures under this act.

Section 116(b) establishes a priority for those States that submit a unified plan.

Section 116(c) creates incentive grants that will be used to carry out innovative programs.

CHAPTER 2—STATE PROVISIONS

Section 121. State administration

Section 121 outlines State administration provisions regarding the development, submission, and implementation of the State plan.

Section 122. State use of funds

Section 122(a) establishes a reservation of funds for State leadership activities, including $60,000 to provide technical assistance for gender equity activities.

Section 122(b) provides that each State will determine how their funds are allocated for secondary and postsecondary vocational education programs.

Section 122(c) provides that States must match on a dollar for dollar basis for the funds received under section 122(a).

Section 123. State leadership activities

Section 123(a) establishes that each eligible agency shall have to carry out activities that provide professional development, develop and disseminate curricula based on State academic standards and vocational and technological skills, promote gender equity, support Tech-Prep activities, improve the use of technology in instruction, support partnerships among local education agencies, higher education institutions, adult education providers and other entities and serve individuals in State institutions (correctional institutions and institutions that serve individuals with disabilities).

Section 123(b) provides that States may carry out activities pertaining to guidance counseling, vocational student organizations, vocational education programs for adults and school dropouts to complete secondary school education, and assistance to vocational education students finding jobs or continuing their education.

Section 124. State plan

Section 124(a) provides that each eligible agency shall submit a three year plan to the Secretary with annual revisions as the eligible agency determines are necessary.

Section 124(b) establishes the development of a plan.

Section 124(c) outlines the contents of the plan. The plan shall include information that describes how the eligible agency will: meet the performance measures; integrate academic education with vocational education; desegregated data relating to students participating in vocational education for measuring the progress of those students; address the needs of students in alternative education programs; provide technical assistance to local educational agencies, area vocational education schools, and eligible institutions; encourage the participation of secondary school students involved in vocational education; obtain the participation of business, labor organizations, and parents in developing and improving vocational education activities; align vocational education with State and regional employment opportunities; establish methods for joint planning and coordination of vocational education programs with other federal education programs; use funds to promote gender equity in secondary and postsecondary vocational education; use funds to improve and expand the use of technology in instruction; use funds to serve individuals in correctional institutions; use funds to effectively link secondary and postsecondary education; use consortia at the secondary and postsecondary; ensure that data received and reported is complete and accurate; develop program strategies for populations that include low-income individuals (including foster children), individuals with disabilities, single parents and displaced homemakers and individuals with multiple barriers to educational enhancement; and coordinate work force investment activities working with one-stop partners for postsecondary students and school dropouts.

Section 124(d) outlines plan approval. The Secretary will approve a State plan or a revision to a State plan if the Secretary determines that the requirements have been met and that the State's performance measures and expected levels of performance are sufficiently rigorous. The Secretary will only disapprove a plan after giving the eligible agency sufficient notice and an opportunity for a hearing. A State plan will be considered approved if the Secretary does not respond within 90 days after the Secretary receives the plan.

Section 124(e) requires an eligible agency to file an annual report containing information about the quality and effectiveness of programs, services, and activities assisted under this subtitle. This report will be based on the performance measures and the expected levels of performance.

CHAPTER 3—LOCAL PROVISIONS

Section 131. Distribution for secondary school vocational education

Section 131(a) describes the allocation for the distribution of funds for secondary school vocational education.

Section 131(b) establishes the minimum allocation for the distribution of funds for secondary vocational education.

Section 131(c) requires that funds be distributed to the local educational agency or the regional educational agency that provides secondary school services to secondary school students in the same attendance area.

Section 131(d) establishes the allocations to area vocational education schools and educational service agencies.

Section 132. Distribution for postsecondary vocational education

Section 132(a) outlines the distribution of funds for postsecondary vocational education.

Section 132(b) establishes an alternative postsecondary vocational education formula. Eligible agencies may devise and implement an alternative allocation formula if an eligible agency demonstrates the following elements to the Secretary: (1) the alternative formula better meets the purpose of title I; and (2) the formula as outlined in section 132(a) does not result in an allocation of funds to the eligible institutions that serve the highest numbers or percentages of low-income students and the alternative formula will result in such a distribution.

Section 133. Local activities

Section 133(a) establishes mandatory local activities for vocational education. These activities are: conducting programs that further student achievement for vocational education students; providing services that are sufficient in size, scope, and quality; integrating the academic education with vocational education for students participating in vocational education; linking secondary education and postsecondary education; providing professional development; expanding technology in vocational education instruction; improving vocational education programs; providing access to quality vocational education programs, developing and implementing performance management systems and evaluations; and promoting gender equity in secondary and postsecondary vocational education.

Section 133(b) outlines permissive local activities for vocational education. These programs include: student internships; guidance and counseling for students participating in vocational education programs; vocational education programs for adults and school dropouts; equipment acquisition; vocational student organizations support; assistance to vocational education students in finding an appropriate job and continuing their education.

Section 134. Local application

Section 134(a) requires each local educational agency or eligible institution seeking assistance under this subtitle to submit an application to the eligible agency.

Section 134(b) requires each local application to include the following information: a description of how the vocational education activities will be carried out in order to meet the expected levels of performance; a description of the independent evaluation and improvement process that will be used by the local educational agency or eligible institution; and a description of how the local educational agency or eligible institution will consult with students, parents,. labor organizations and others to carry out activities under this subtitle.

SUBTITLE B—TECH-PREP EDUCATION

Section 151. Short title

Section 151 establishes the Tech-Prep Education Act as the name for subtitle B.

Section 152. Purposes

Section 152 establishes the purpose of the subtitle which are: to provide grants for the development and operation of tech-prep programs; to provide comprehensive links among secondary schools, postsecondary education institutions and local or regional employers or labor organizations; and to support teaching and curriculum for Tech-Prep based on each State's academic, occupational, and employability standards.

Section 153. Definitions

Section 153 lists the definitions used in the subtitle.

Section 154. Program authorized

Section 154(a) specifies that grants will be awarded to consortia that include at a minimum, a secondary institution, a postsecondary institution, and an employer or labor organization.

Section 154(b) specifies that the eligible agency will make grants to consortia either on a competitive basis or on the basis of a formula determined by the eligible agency.

Section 155. Tech-prep education programs

Section 155(a) allows each consortium to develop and operate a Tech-Prep program.

Section 155(b) specifies the required Tech-Prep contents. Each program funded shall: be carried out under an articulation agreement among the participants in the consortium; consist of at least 2 years of secondary school and two years or more of postsecondary school; meet challenging State standards that link schools with business and industry, and use educational technology; include professional development programs for teachers and counselors; and provide access to members of special populations as described in section 124(c)(16).

Section 155(c) lists activities that Tech-Prep programs may implement including: acquisition of equipment for Tech-Prep programs; acquisition of technical assistance from States or local entities that have operated successful Tech-Prep programs; establishment of articulation agreements with higher education institutions, labor organizations or businesses located outside of the State served by the consortium.

Section 156. Applications

Section 156(a) requires that consortia seeking a grant under this subtitle must submit an application to the Secretary or eligible agency, as appropriate.

Section 156(b) specifies that each application will include a 3 year plan.

Section 156(c) includes a reference to the criteria that the Secretary or eligible agency will use to approve an application.

Section 156(d) specifies the special considerations the Secretary or eligible agency will use in awarding grants to consortia. These special considerations include applications that: provide students with employment or transfer to four year postsecondary institutions; are developed in consultation with four year institutions; address the needs of special populations; provide training in areas where there are work force shortages; and demonstrate how students will meet high academic and employability competencies.

Section 156(e) requires the Secretary to ensure an equitable distribution of assistance among States. In addition, the Secretary or the eligible agency must ensure an equitable distribution of assistance between urban and rural consortium participants.

Section 156(f) requires each consortium submitting an application to provide a copy of the application to the State Education Agency and the State agency for higher education.

Section 157. Authorization of appropriations

Section 157 establishes authorization of appropriations for Tech-Prep.

SUBTITLE C—GENERAL PROVISIONS

Section 161. Administrative provisions

Section 161(a) requires that funds expended under title I shall supplement and not supplant other public funds expended to carry out activities under title I.

Section 161(b) requires maintenance of effort.

Section 161(c) requires the eligible agency to provide representation to the statewide partnership as established under title III.

Section 162. Evaluation, improvement, and accountability

Section 162(a) requires each eligible agency to annually evaluate the vocational education and tech-prep activities of each local educational agency or eligible institution receiving assistance under this title.

Section 162(b) specifies that an eligible agency may implement improvement assistance for those entities not making substantial progress.

Section 162(c) establishes that the Secretary shall provide technical assistance to an eligible agency if the eligible agency is not properly implementing the eligible agency's responsibilities under section 124 or in meeting the purpose of title I.

Section 162(d) lists the conditions under which the Secretary may withhold Federal funds from an eligible agency.

Section 163. National activities

Section 163 establishes national activities for title I.

Section 164. National assessment of vocational education programs

Section 164(a) requires the Secretary to conduct a national assessment of vocational education programs assisted under title I.

Section 164(b) requires the Secretary to establish an independent advisory panel regarding the implementation of the national assessment described under section 164(a).

Section 164(c) lists the contents of the national assessment.

Section 164(d) requires the Secretary to consult with the appropriate congressional committees requiring the design and implementation of the assessment required under section 164(a). In addition, the Secretary is required to submit to the appropriate congressional committees an interim and final report.

Section 165. National research center

Section 165(a) establishes that the Secretary may establish one or more national centers for applied research and dissemination training.

Section 165(b) requires the national center or centers to carry out activities as the Secretary determines to be appropriate to assist State and local recipients of funds under title I. The center or centers shall be required to annually prepare a report of key research findings.

Section 165(c) requires the Secretary to consult at least annually with the national center or centers with education experts to ensure the center or centers activities meet the needs of vocational education programs. In addition, the Secretary shall conduct an independent review of each award recipient under this section.

Section 166. Data systems

Section 166(a) requires the Secretary to maintain a data system to collect information on vocational education and on the effectiveness of State and local programs, services, and activities carried out under title I.

Section 166(b) requires the data system to be compatible with other Federal information systems.

Section 166(c) requires the National Center for Education Statistics to collect and report on vocational education information.

SUBTITLE D—AUTHORIZATION OF APPROPRIATION

Section 171. Authorization of appropriations

Section 171 establishes the authorization of appropriations for national activities.

SUBTITLE E—REPEAL

Section 181. Repeal

Section 181(a) repeals the Carl D. Perkins Vocational and Applied Technology Act.

Section 181(b) lists the repeals to references to the Carl D. Perkins Vocational and Applied Technology Act.

Title II—Adult Education and Literacy

Section 201. Short title

Section 201 cites the short title for title II which is the Adult Education and Literacy Act.

Section 202. Findings and purpose

Section 202(a) establishes the findings for title II.

Section 202(b) establishes that the purposes of title II are: to become literate and obtain the knowledge and skills needed to compete in a global economy; complete a secondary school education; and have the education skills necessary to support the education development of their children.

CHAPTER 1—FEDERAL PROVISIONS

Section 211. Reservation; grants to States; allotments

Section 211(a) establishes the reservation of funds for national leadership activities.

Section 211(b) establishes the amount reserved for grants to States.

Section 211(c) lists the initial allotments for eligible agencies.

Section 211(d) defines qualifying adult as used under section 211.

Section 211(e) specifies how the Secretary shall award grants to the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Section 211(f) establishes maintenance of effort requirement for title II.

Section 211(g) establishes that if the Secretary determines that any amount of the State's allotment will not be required for carrying out the program for which the amount has been allotted, the Secretary shall reallot that amount to one or more States.

Section 212. Performance measures and expected levels of performance

Section 212(a) establishes performance measures for title II, which at a minimum, shall include: demonstrated improvements in literacy skill levels in reading and writing the English language, numeracy, and problem solving; attainment of secondary school diplomas or their recognized equivalent; placement in, retention in, or completion of postsecondary education, training, or unsubsidized employment; and other performance measures as the Secretary determines are necessary.

Section 212(b) establishes expected levels of performance. Each eligible agency shall negotiate with the Secretary the expected levels of performance.

Section 213. National leadership activities

Section 213(a) authorizes national activities.

Section 213(b) enables national activities to be carried out through grants, contracts, or cooperative agreements.

Section 213(c) requires national leadership funds to be used for: research; model and innovative programs; dissemination of information; evaluations and assessments; efforts to support capacity building at the State and local levels; data collection; professional development, technical assistance; and other activities designed to enhance adult education.

CHAPTER 2—STATE PROVISIONS

Section 221. State administration

Section 221(a) establishes State administration of activities.

Section 221(b) requires the State to identify the rule or policy as a State imposed requirement whenever a State imposes any rule or policy relating to the administration and operation of activities under subtitle A of title II.

Section 222. State distribution of funds; State share

Section 222(a) establishes the State distribution of funds.

Section 222(b) requires each eligible agency to provide an amount equal to 25 percent of the total amount of funds expended for adult education in the State.

Section 223. State leadership activities

Section 223(a) requires each eligible agency to use funds for State Leadership activities for one or more of the following: professional development; developing and disseminating adult education curricula; evaluation; establishing challenging performance measures; integration of literacy instruction and occupational skill training; linkages with postsecondary institutions; supporting State or regional networks of literacy resource centers; and other activities.

Section 223(b) requires eligible agencies to avoid duplicating efforts in order to maximize the impact of activities under section 223(a).

Section 224. State plan

Section 224(a) requires each eligible agency applying for a grant to submit a 3 year plan.

Section 224(b) establishes the State plan contents which shall include: an objective assessment of the needs of individuals in the State; a description of adult education and literacy activities to be carried out under this subtitle; a description of how the eligible agency will conduct annual evaluations; a description of how the eligible agency ensure that data reported is reliable; a description of the performance measures required under section 212(a); an assurance that the funds under this subtitle will only be used for activities under this subtitle; an assurance that programs will be coordinated with other Federal programs; a determination of how the eligible agency will fund local activities; a description of how the eligible agency will determine the eligible providers for title II; a description of low funds will be used for State leadership activities; a public comment process; and a description of how the eligible agency will develop program strategies for the low-income students, individuals with disabilities, single parents and displaced homemakers, individuals with disabilities, and individuals with multiple barriers to educational enhancement.

Section 224(c) enables the eligible agency to submit State plan revisions to the Secretary.

Section 224(d) requires the eligible agency to submit the State plan to the Governor for review and comment.

Section 224(e) requires the Secretary to approved a State plan if it meets the requirements of section 224 and if the performance measures and expected levels of performance established under section 212 are sufficiently rigorous. In addition, the Secretary shall only disapprove a State plan after giving the eligible agency notice and opportunity for a hearing. The Secretary shall establish a peer review process for State plan approval.

Section 225. Programs for corrections education and other institutionalized individuals

Section 225(a) authorizes programs for corrections education and other institutionalized individuals.

Section 225(b) specifies that funds authorized for section 225(a) shall be used for: basic education; special education programs as determined by the State; bilingual programs or English as a second language programs; and secondary school credit programs.

Section 225(c) defines criminal offender.

CHAPTER 3—LOCAL PROVISIONS

Section 231. Grants and contracts for eligible providers

Section 231(a) requires each eligible agency to award multiyear grants or contracts to eligible providers.

Section 231(b) requires each eligible agency to ensure that all eligible providers have direct and equitable access to apply for grants or contracts.

Section 231(c) requires each eligible provider to provide instruction or services such as adult education and literacy services or English literacy programs.

Section 232. Local application

Section 232 requires each eligible provider to submit an application to the eligible agency and to include the following information in that application: a description of how funds awarded under this subtitle will be spent; a description of how the expended levels of performance of the eligible provider will be met; a description of any cooperative arrangements the eligible provider has with other entities regarding adult education programs.

Section 233. Local administrative cost limits

Section 233(a) requires that local administrative costs shall not exceed five percent.

Section 233(b) provides for negotiation between the eligible agency and the eligible provider if the administrative cost limit under section 223(a) is too restrictive.

CHAPTER 4—GENERAL PROVISIONS

Section 241. Administrative provisions

Section 241(a) requires that funds under subtitle A of title II shall supplement and not supplant other State or local funds expended for adult education and literacy activities.

Section 241(b) requires the eligible agency to provide representation to the statewide partnership described in title III.

Section 242. Priorities and preferences

Section 242(a) establishes priorities that each eligible agency and each eligible provider receiving assistance under this subtitle shall consider in carrying out activities.

Section 242(b) requires that each eligible agency receiving a grant under title II shall give preference to eligible providers that serve local areas with high concentrations of individuals in poverty or with low levels of literacy. In addition, preference shall be given to eligible providers that coordinate with and utilize other community literacy and social services.

Section 243. Incentive grants

Section 243(a) establishes incentive grants for States that exceed performance measures under this Act.

Section 243(b) establishes that in awarding grants under section 243(a), the Secretary shall give priority to those States submitting a State unified plan as described in section 501.

Section 243(c) requires incentive grant funds to be used for innovative programs.

Section 244. Evaluation, improvement, and accountability

Section 244(a) requires each eligible agency to biennially evaluate adult education and literacy activities provided by each eligible provider.

Section 244(b) allows the eligible agency to work jointly with the eligible provider to develop an improvement plan if it has been determined that an eligible provider is not making substantial progress in achieving the purpose of title II.

Section 244(c) requires the eligible agency to report annually to the Secretary regarding the effectiveness of adult education and literacy activities.

Section 244(d) requires the Secretary to provide technical assistance to the eligible agency if the eligible agency is not making substantial progress in meeting the purpose of title II.

Section 244(e) allows the Secretary to withhold funds if the Secretary determines that the eligible agency is not making sufficient progress.

Section 245. National Institute for Literacy

Section 245(a) establishes the purpose for the National Institute for Literacy.

Section 245(b) establishes the National Institute for Literacy which is referred to throughout this section as the Institute.

Section 245(c) specifies the Institute's duties which are: establishing a national electronic data base; coordinating support among Federal agencies and at state and local levels for literacy; coordinating support of research and development on literacy; providing policy and technical assistance to Federal, State, and local entities; funding a network of State or regional adult literacy resource centers; and other activities that improve the literacy delivery system.

Section 245(d) enables the Institute to award fellowships.

Section 245(e) establishes the National Institute for Literacy Advisory Board which is referred to as the Board throughout this section.

Section 245(f) allows the Institute to accept, administer, and use gifts or donations of services, money, or property.

Section 245(g) enables the boards and the Institute to use the United States mail under the same conditions as other U.S. Departments or agencies.

Section 245(h) establishes that the Interagency Group appoints and sets the pay of the Director.

Section 245(i) establishes the applicability of certain civil service laws.

Section 245(j) allows the Institute to hire consultants.

Section 245(k) requires the Institute to submit a biennial report to the Interagency Group and Congress.

Section 245(l) requires the Institute not to duplicate any functions carried out by the Secretaries of Education, Health and Human Services, and Labor.

Section 245(m) allows that any amounts appropriated to the Secretaries of Education, Health and Human Services, and Labor or any other department that participates in the Institute's activities, may be provided to the Institute for such programs.

Section 246. Authorization of appropriations

Section 246 authorizes appropriations for title II.

SUBTITLE B—REPEAL

Section 251. Repeal

Section 251(a) repeals the Adult Education Act.

Section 251(b) establishes conforming amendments.

Title III—Workforce Investment and Related Activities

CHAPTER 1—ALLOTMENTS TO STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES.

Section 301. General authorization

The Secretary of Labor shall make an allotment to each State that has an approved State plan and a grant to each outlying area that complies with the requirements of this title. It will enable the State or outlying area to assist local areas in providing adult employment and training activities, dislocated worker employment and training activities, and youth activities.

Section 302. State allotments

Section 302(a). In general

The Secretary of Labor is required to allot funds to the States for the purpose of carrying out work force investment activities according to the following parameters: (1) reserve 20 percent of said allotment to a State to be used for technical assistance, dislocated worker projects, and national emergency grant and (2) for each FY in which the total appropriation exceeds $1 billion a portion must be reserved for application to youth opportunity grants, a portion of that reservation must then be applied to youth activities for migrant and seasonal farmworkers.

Section 302(b). Allotment among States

From the amount of funds made available, no more than ¼ of 1 percent will be provided to the outlying areas to carry out adult employment and training activities for each of the fiscal years of 1999 to 2003. The Secretary shall make grants available to outlying areas on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory. The Secretary may provide up to 5 percent of the amount available under the grant to pay the administrative costs of the Pacific Region Educational Laboratory. The Secretary shall allot all the money not given to outlying areas to the States for adult employment and training activities. The money is to be distributed to the States by formula, based ⅓ on the number of unemployed individuals, ⅓ based on excess unemployment, and ⅓ based on the number of disadvantaged adults. No State shall receive an allotment percentage that is less than 90 percent or more than 130 percent of the allotment percentage that the State received in the preceding fiscal year. The Secretary shall reserve not more than ¼ of one percent to provide assistance to the outlying areas to carry out dislocated worker employment and training activities for each of the fiscal years 1999 through 2003. The Secretary shall make grants available to outlying areas on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory. The Secretary may provide up to 5 percent of the amount available under the grant to pay the administrative costs of the Pacific Region Educational Laboratory. The Secretary shall allot all the money not given to outlying areas to the States for dislocated worker employment and training activities. The money is to be distributed to the States by formula, based ⅓ on the number of unemployed individuals, ⅓ based on excess unemployment, and ⅓ on long-term (15 weeks or more) unemployment. For dislocated workers, the Secretary reserves 0.25 percent for outlying areas and 20 percent for National Emergency Grants. The small state minimum is 0.50 percent. Wherefore because the amount to be appropriated to the States for formula grants shall not be below $1 billion, for each fiscal year that more than $1 billion is appropriated, a trigger requires the Secretary to reserve that amount exceeding $1 billion to provide youth opportunity grants. Of the amount exceeding $1 billion, the first $10 million is reserved to provide youth activities for farmworkers pursuant to Section 362. The Secretary shall reserve not more than ¼ of one percent to provide assistance to the outlying areas to carry out youth activities for each of the fiscal years 1999 through 2003. The Secretary shall make grants available to outlying areas on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory. The Secretary may provide up to 5 percent of the amount available under the grant to pay the administrative costs of the Pacific Region Educational Laboratory. After determining the amounts to be reserved for youth opportunity grants (if any) and outlying areas, the Secretary shall make available $15 million to provide youth activities for Native Americans and allot the remainder of the amount to the States for youth activities. The remainder shall be distributed to the States by formula, based ⅓ on unemployment, ⅓ based on excess unemployment, and ⅓ on the number of economically disadvantaged youth, with the same small-State minimum. No State shall receive an allotment percentage that is less than 90 percent or more than 130 percent of the allotment percentage that the State received in the preceding fiscal year. Disadvantaged youth means an individual who is not less than age 14 and is not more than age 21 and is a low-income individual. The small state minimum is 0.50 percent.

Section 303. Statewide partnership

Section 303(a). In general

The Governor of a State shall establish and appoint the members of a statewide partnership to assist in the development of a State plan.

Section 303(b). Membership

The statewide partnership shall include the Governor and representatives appointed by the Governor. A majority of the representatives will be members of business. The remainder of the representatives will be chief elected officials, labor organization representatives, individuals who have experience relating to youth activities, representatives of all forms of vocational education, state officials in charge of vocational education, two members of each chamber of the State legislature, and such other State agency officials as the Governor may designate.

Section 303(c). Chairman

The Governor shall select a chairperson from business membership for the statewide partnership.

Section 303(d). Functions

In addition to developing the State plan, the statewide partnership shall advise the Governor on the development of a comprehensive statewide work force investment system, assist the Governor in preparing the annual report, assist the Governor in developing the statewide labor market information system, and assist in the monitoring and continuous improvement of the performance of the state wide work force investment system, including the evaluation of the effectiveness of work force investment activities carried out under this subtitle in serving the needs of employers seeking skilled employees and individuals seeking services.

Section 303(e). Authority of Governor

The Governor shall have final authority to determine and submit the contents of the State plan. Prior to submission of the plan, the Governor shall make copies of the proposed State plan available to the public, allow members of the statewide partnership and members of the public to make comments for up to 30 days from the date that the plan is made available, and when submitting the State plan to the Secretary the Governor shall include any comments that disagree with the plan.

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Section 304. State plan

Section 304(a). In general

For a State to be eligible, the Governor must submit to the Secretary a 3-year State plan for approval.

Section 304(b). Contents

The State plan shall include all descriptions and identifications as required.

Section 304(c). Plan submission and approval

The State plan shall be considered to be approved by the Secretary within 60 days after the submission of the plan, unless the Secretary makes a written determination that the plan is inconsistent with a specific provision of this title or the levels of performance have not been agreed to.

Section 304(d). Modifications to initial plan

A State may submit substantial modifications to the State plan during the 3-year period of the plan.

CHAPTER 2—ALLOCATIONS TO LOCAL WORK FORCE INVESTMENT AREAS

Section 306. Within State allocations

Section 306(a). Reservations for State activities

A Governor shall not reserve more than 15 percent of the State's total allotment for a fiscal year for statewide work force investment activities. A Governor shall not reserve more than 25 percent of the State dislocated worker funds for a fiscal year for statewide rapid response activities.

Section 306(b). Within State allocation

A Governor shall allocate funds to local areas for the purpose of providing employment and training activities and youth activities. The State shall allocate the appropriate funds for adult employment and training activities, dislocated worker and employment and training activities, and youth activities. In allocating the funds, the State may allot ⅓ on the basis of the relative number of unemployed individuals in areas of substantial unemployment (greater than 6.5 percent), ⅓ shall be allotted on the basis of the excess number of unemployed individuals in each State as compared to the total excess number of unemployed individuals (greater than 4.5 percent), ⅓ shall be allotted on the basis of the number of disadvantaged adults. In allocating the funds, the State shall allot ⅓ on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State as compared to the total number of unemployed individuals in areas of substantial unemployment in all States. One-third shall be allotted on the basis of the relative excess number of unemployed individuals in each State as compared to the total excess number of unemployed individuals in all States. One-third shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more as compared to the total number of individuals in all States who have been unemployed for 15 weeks or more. In allocating the funds, the State may allot ⅓ on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State as compared to the total number of unemployed individuals in areas of substantial unemployment in all States. One third shall be allotted on the basis of the relative excess number of unemployed individuals in each State as compared to the total excess number of unemployed individuals in all States. One third shall be allotted on the basis of the relative number of disadvantaged youth in each State as compared to the total number of disadvantaged youth in all States. In lieu of making the allocation as described above for adult employment and training activities, a State may distribute not less than 70 percent in accordance with the previous formula. The remaining funds may be distributed on the basis of a formula, developed by the statewide partnership and approved by the Secretary as part of the State plan, that takes into consideration factors relating to excess poverty in local areas or excess unemployment above the State average in local areas. In lieu of making the allocation as described above for youth activities, a State may distribute not less than 70 percent in accordance with the previous formula. The remaining funds may be distributed on the basis of a formula, developed by the statewide partnership and approved by the Secretary as part of the State plan, that takes into consideration factors relating to excess youth poverty in local areas or excess unemployment above the State average in local areas. Not more than 15 percent of the total amount allocated to a local area for a fiscal year may be used by the local partnership for the area for the administrative cost of carrying out local adult employment and training activities, local dislocated worker employment and training activities, and local youth activities. The Secretary will develop regulations that define the term "administrative cost" for purposes of this title. A local partnership can transfer, with approval of the Governor, not more than 20 percent of adult funding or not more than 20 percent of dislocated worker funds allocated to the local area for a fiscal year between adult employment and training activities and dislocated worker employment and training activities. The chief elected official in a local area shall serve as the fiscal agent for the funds allocated to the local area, unless the Governor agrees to act as the fiscal agent and bear such liability. The fiscal agent shall immediately disburse funds at the direction of the local partnership for work force investment activities.

Section 307. Local work force investment areas

Section 307(a). Designation of areas

The Governor shall designate local work force investment areas in the State in accordance with the State plan. A Governor shall approve a request for designation as a local area from any unit of general local government with a population of 500,000 or more. A county with a population of 500,000 or more may request such designation only with the agreement of the political subdivisions within the county with populations of 200,000 or more. Single units of general local government with populations of 200,000 or more that are service delivery areas on the date of enactment of this act shall have an automatic right to request designation as local areas. Once the boundaries for a local area are determined, the boundaries shall not change without the approval of the Governor.

Section 307(b). Small states

The Governor of a State determined to be eligible to receive a minimum allotment for the first year covered by the State plan may designate the State as a single State local area. The Governor shall identify the State as a local area in lieu of designating various local areas within the State.

Section 308. Local work force investment partnerships and youth partnerships

Section 308(a). Establishment of local partnership

Local partnership shall be established in each local area of a State and certified by the Governor.

Section 308(b). Role of local partnership

The primary role of the local partnership is to set policy for the portion of the statewide work force investment system within the local area ensuring that the activities meet local performance measures that include high academic and skill measures and meets the needs of employers and jobseekers.

Section 308(c). Membership of local partnership

The Governor shall establish the criteria for the appointment of members of the local partnerships for local areas and the criteria shall be included in the State plan. The local partnership shall elect a chairman from among the business members of the partnership. At a minimum, the membership of each local partnership shall include a majority of members who are representatives of business in the local area, such as business owners and business executives, chief officers representing local postsecondary educational institutions, including vocational and adult education providers, chief officers representing labor organizations, chief officers representing economic development agencies, and may include such other individuals as the chief elected official in the local area may determine to be appropriate.

Section 308(d). Appointment and certification of local partnership

The chief elected official in a local area is authorized to appoint the members of the local partnership for such area. If a local area has more than one unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials. If the chief elected officials can not reach an agreement, the Governor may appoint the members of the local partnership from individuals so nominated or recommended. The Governor shall annually certify one local partnership for each local area in the State. Failure of a local partnership to achieve certification shall result in reappointment and certification of another local partnership for the local area. The Governor may decertify a local partnership at any time for fraud or abuse, or failure to carry out the functions specified for the local partnership after providing notice and an opportunity for comment. If the Governor does decertify a local partnership for a local area, the Governor may require that a local partnership be appointed and certified for the local area pursuant to a plan developed by the Governor in consultation with the chief elected official. If a State is designated as a local area in the State plan, the Governor may designate the statewide partnership to carry out any of the necessary functions.

Section 308(e). Functions of local partnership

The functions of the local partnership shall include developing and submitting a local plan, naming one-stop partners and one-stop customer service center operators, conducting oversight of the one-stop customer service system, modifying the list of eligible providers of training services, setting local performance measures, analyze and identify current and projected local employment opportunities and the skills necessary to obtain such local employment opportunities, coordinating the work force investment activities carried out in the local area with economic development strategies and developing other employer linkages, and assisting the Governor in developing the statewide labor market information system.

Section 308(f). Sunshine provision

On a regular basis, the local partnership shall have open meetings to make available to the public information regarding the activities of the local partnership.

Section 308(g). Other activities of local partnership

No local partnership may directly carry out or enter into a contract for a training service described in section 315(c)(3) unless the local partnership provides substantial evidence that a private or public entity is not available to provide the training service and that the activity is necessary to provide an employment opportunity described in the local plan. No member of a local partnership may vote on a matter under consideration by the local partnership regarding the provision of services by such member or that would provide direct financial benefit to such member or the immediate family of such member, or engage in any activity that may be construed as a conflict of interest by the Governor, as specified in the State plan.

Section 308(h). Technical assistance

The Governor shall provide technical assistance to any local area that fails to meet established State or local performance measures.

Section 308(i). Youth partnership

Each local area shall establish a youth partnership appointed by the local partnership with cooperation of the chief elected official. Members of the youth partnership shall include one or more members of the local partnership, representatives of youth service agencies, representatives of local public housing authorities, parents of youth seeking help under this subtitle, individuals that have experience relating to youth activities, representatives of the Job Corps, and other individuals as the chairperson of the local partnership and the chief elected official deem appropriate. The duties of the members of the youth partnership include developing portions of the local plan relating to youth, awarding grants to eligible providers of youth activities, coordinating youth activities in the local area, and other duties as determined by the chairman of the local partnership.

Section 309. Local plan

Section 309(a). In general

Each local partnership shall develop and submit to the Governor a 3-year local plan. The local plan shall be consistent with the State plan.

Section 309(b). Contents

The local plan shall include all descriptions and identifications as required.

Section 309(c). Plan submission and approval

A local plan shall be considered to be approved by the Governor at the end of the 60-day period beginning on the day the Governor receives the plan, unless the Governor makes a written determination during the 60-day period that the local area has not made acceptable progress in implementing corrective measures to correct any deficiencies that may exist, or the plan does not comply with this title.

Section 309(d). Lack of agreement

If the local partnership and the chief elected official cannot agree on the local plan, then the Governor may develop the local plan.

CHAPTER 3—WORK FORCE INVESTMENT ACTIVITIES AND PROVIDERS

Section 311. Identification and oversight of one-stop partners and one-stop customer service center operators

Section 311(a). General

The chief elected official and the local partnership may develop and implement operating agreements to appoint one-stop partners, may designate or certify one-stop customer service center operators, and may conduct oversight with respect to the one-stop customer service system, in the local area.

Section 311(b). One-stop partners

Each entity that carries out a program, services, or activities authorized under this act shall make their applicable services available to participants through a one-stop customer service center. Other entities that carry out human resource programs may make services available to participants through a one-stop customer service center, if the local partnership and chief elected official involved approve of such participation.

Section 311(c). Operating agreements

The one-stop customer service center operator shall enter into a written agreement with the local partnership and one-stop partners concerning the operation of the center. The agreement shall be subject to the approval of the chief elected official and the local partnership. The written agreement shall contain provisions describing the services to be provided through the center, how the costs of such services and the operating costs of the system will be funded, methods for referral of individuals between the one-stop customer service center operators and the one-stop partners, the monitoring and oversight of activities carried out under the agreement, and the duration of the agreement and the procedures for amending the agreement.

Section 311(d). One-stop customer service center operators

To be eligible to receive funds to operate a one-stop center, the entity must be designated or certified as a one-stop customer service center operator. The server may be a public or private entity, or consortium of entities, located in the local area. The server may include an institution of higher education, a local employment service office, a local government agency, a private for-profit entity, a private nonprofit entity, or other interested entity. Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop customer service center operators, except that nontraditional secondary schools and area vocational education schools shall be eligible for such designation or certification.

Section 311(e). Established one-stop customer service system

For a local area where a one-stop center has already been established, the local partnership, the chief elected official, and the Governor may agree to appoint, designate, or certify the one-stop partners and one-stop customer service center operators of such system.

Section 311(f). Oversight

The local partnership shall conduct oversight and may terminate for cause the eligibility of a one-stop customer service partner or operator.

Section 312. Determination and identification of eligible providers of training services by program

Section 312(a). General eligibility requirements

To be eligible to receive funds and to be identified as an eligible provider, a provider's program must meet certain requirements. The provider shall be a postsecondary educational institution that provides a program that leads to an associate degree, baccalaureate degree or certificate, and is eligible to receive Federal funds under title IV of the Higher Education Act of 1965, or another public or private provider of a program.

Section 312(b). Initial determination and identification

To be eligible to receive funds, an institution as described in Section 312(a) must submit an application, after consultation between the State agency and the local partnerships in the State. Upon submission of the application, the institution shall automatically be initially eligible to receive funds for the program. The Governor shall establish a procedure to determine the eligibility of other providers to receive funds. The provider of the program must at least meet minimum performance criteria standards. In determining the minimum levels, the Governor shall consider criteria relating to the economic, geographic, and demographic factors in the local areas in which the provider has a program, the characteristics of the population served by the provider, and verify the minimum levels of performance by using quarterly records. To be initially eligible the provider, as described in Section 312(a), needs to submit an application and include performance information on program completion rates for participants, the percentage of the graduates of the program placed in unsubsidized employment in an occupation related to the program conducted, retention rates of the graduates in unsubsidized employment after 6 months and twelve months after completion of the program, the wages received by graduates in unsubsidized employment on the first day of employment, 6 months of employment and 12 months of employment, and program cost per participant in the program. The local partnerships may require that a provider submit other performance information, including information regarding the ability of the provider to provide continued counseling and support regarding the workplace to the graduates for at least a year after graduation. The local partnership may also require higher levels of performance than the minimum levels of performance needed for initial eligibility to receive funds. The designated State agency shall identify eligible providers of training services, identify the programs of the providers through which the providers may offer training services, and compile a list of the eligible providers and programs, accompanied by performance information and any other necessary information. The local partnership may modify the list by reducing the number of eligible providers listed, to ensure that the eligible providers carry out programs that provide skills that enable participants to obtain local employment opportunities.

Section 312(c). Subsequent eligibility

To be eligible to continue to receive funds, a provider shall submit the necessary information annually to the designated State agency, annually meet the performance criteria for the program, and annually meet local performance measures. After reviewing the performance information, the designated state agency must then identify and list the eligible providers and programs. The local partnership may modify the list by reducing the number of eligible providers listed, to ensure that the eligible providers carry out programs that provide skills that enable participants to obtain local employment opportunities. The list shall be made widely available to participants in employment and training activities, and to others, through the one-stop customer service system.

Section 312(d). Enforcement

If the designated state agency, after consultation with the local partnership involved, determines that a provider intentionally supplies inaccurate information, the agency shall terminate the eligibility of the eligible provider to receive funds for a period of not less than 2 years. If the designated State agency, after consultation with the local partnership involved, determines that an eligible provider or a training services program carried out by an eligible provider fails to meet the required performance criteria and performance measures, or materially violates any provision of this title, the agency may terminate the eligibility of the eligible provider to receive funds or take such other action as the agency determines to be appropriate. Any provider that has its eligibility terminated shall be liable for repayment of funds received for the program during any period of noncompliance. The Governor shall establish a procedure for an eligible provider to appeal a decision that leads to termination of eligibility. The procedure will provide for a hearing and appropriate time limits for a prompt resolution of the appeal.

Section 312(e). On-the-job training exception

On-the-job training providers shall be exempt from the requirements of Section 312 (a)–(d). Performance information from on-the-job providers shall be collected and disseminated by the one-stop customer service center operator in the local area.

Section 312(f). Administration

The Governor shall designate a State agency to collect and disseminate the provider's performance information and carry out other duties.

Section 313. Identification of eligible providers of youth activities

The youth partnership is authorized to award grants on a competitive basis, based on the criteria contained in the State and local plans, to providers of youth activities, and conduct oversight with respect to such providers, in the local area.

Section 314. Statewide work force investment activities

Section 314(a). In general

Funds reserved by a Governor for statewide rapid response activities shall be used to carry out the statewide rapid response activities previously described in Section 306 (a) and (b) and may be used to carry out any of the statewide work force investment activities described in Section 306(c).

Section 314(b). Required statewide work force investment activities

The statewide rapid response activities shall include a provision of rapid response activities, carried out in local areas by the State, working in conjunction with the local partnership and the chief elected official in the local area. A State shall use funds to carry out other statewide work force investment activities, namely disseminating the list of eligible providers of training services, including eligible providers of nontraditional training services, providing a list of eligible providers of youth activities, conducting evaluations, creating a provision for incentive grants to local areas, providing technical assistance to local areas, assisting in the establishment and operation of a one-stop customer service system, and operation of a fiscal and management accountability information system.

Section 314(c). Allowable statewide work force investment activities

A State can use funds for the administration of the work force investment activities, identification and implementation of incumbent worker training programs, including an employer loan program, and carrying out such other activities that are authorized under this title. Of the funds reserved for the State, no more than 5 percent of the total allotted to the State for statewide work force investment activities may be used for administrative costs.

Section 315. Local employment and training activities

Section 315(a). Local employment and training activities

Funds reserved under part 3(A) or 4(A) of Section 306(b) shall be used to carry out employment and training activities for adults or dislocated workers.

Section 315(b). Establishment of one-stop customer service system

The one-stop customer service system shall provide core services, access to training services, and access to all authorized job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act, such as labor market information. At a minimum, the one-stop customer service system shall make services accessible at not less than one physical customer service center in each local area of the State. The customer service system may also make services available through a network of customer service centers that can provide one or more services to individuals and similarly through a network of eligible one-stop partners.

Section 315(c). Required local activities

Funds received by a local area for adult and dislocated worker employment and training programs shall be used to establish a one-stop customer service center, to provide core services to participants through the one-stop customer service system, and to provide training services. Funds received by a local area shall be used to provide core services, which shall be available to all individuals seeking assistance through a one-stop customer service system. Funds shall be used to provide training services to individuals who are adults (including dislocated workers) who seek services who are unable to obtain employment through the core services or are determined to be eligible according to specific criteria followed by a one-stop customer service center operator or one-stop partner. Training services shall be limited to individuals who are unable to obtain other grant assistance for such services or who require assistance beyond the assistance made available under other grant assistance programs. Training services may be provided to an individual whose application for a Federal Pell Grant is pending, except that if the individual subsequently is awarded a Federal Pell

Grant, appropriate reimbursement shall be made to the local area from the Federal Pell Grant. Training services may include employment skill training, on-the-job training, job readiness training, and adult education services when provided in combination with the above services. If funds are limited within a local area for adult employment and training activities, priority shall be given to disadvantaged adults for receipt of training services. Training services shall be provided through eligible providers of such services.

Training services shall be provided in a manner that maximizes consumer choice in the selection of an eligible provider of such services. Each local partnership, through one-stop customer service centers, shall make available a list of eligible providers with a description of the programs through which the providers may offer the training services, a list of the names of on-the-job training providers, and performance information on eligible providers of training services. Each local partnership, through one-stop customer service centers, shall make available information regarding local, State, and, if appropriate, regional or national, employment opportunities and information regarding the job skills necessary to obtain the employment opportunities. An individual training account is available, in consultation with a case manager, to an individual who is eligible to select training services from an eligible provider. Upon selection, the operator of the one-stop customer service center shall refer the individual to the eligible provider of training services, and arrange for payment for such services through an individual training account.

Section 315(d). Permissible local activities

Funds received by a local area may be used to provide, through one-stop delivery, intensive employment-related services for participants in training services, customized screening and referral of qualified participants in training services to employment, and customized employment-related services to employers. Funds received by a local area may be used to provide supportive services to participants who are participating in activities described in this section or youth activities under this subtitle, and participants who are unable to obtain such supportive services through other programs providing such services. In addition, funds received by the local area may be used to provide needs-related payments to dislocated workers who do not qualify for, or have exhausted, unemployment compensation, for the purpose of enabling such individuals to participate in training services. In addition, a dislocated worker who has ceased to qualify for unemployment compensation may be eligible to receive needs-related payments only if the dislocated worker was enrolled in the training services by the end of the 13th week of the worker's unemployment compensation benefits period for the most recent layoff that resulted in a determination of the worker's eligibility for employment and training activities for dislocated workers, or, if later, by the end of the 13th week after the worker is informed that a short-term layoff will exceed 6 months. The level of a needs-related payment made to a dislocated worker shall not exceed the greater of the applicable level of unemployment compensation, or if such worker did not qualify for unemployment compensation, an amount equal to the poverty line, for an equivalent period, which amount shall be adjusted to reflect changes in total family income.

Section 316. Local youth activities

Section 316(a). Purposes

The purposes of this section are to provide activities to youth seeking assistance in achieving academic and employment success, to ensure contact for youth with adults, provide training opportunities to youth, provide support services for youth, provide incentives for recognition and achievement to youth, and to provide opportunities for youth in activities related to leadership, development, decision making, citizenship, and community service.

Section 316(b). Required elements

This section requires that funds received by local areas shall be used to carry out youth activities that provide employment and skills training and supportive services, including but not limited to tutoring, alternative secondary school services, internships, and community service and leadership development activities.

Section 316(c). Priority

At least 50 percent of the funds described for use in section 316(b) shall be used to provide youth activities to out-of-school youth.

Section 316(d). Prohibitions

No funds shall be used to develop or implement local school system education curricula. No funds shall be used to carry out activities that duplicate federally funded activities available to youth in the local area. No funds shall be used to provide an activity for youth who are not school dropouts if participation in the activity would interfere with or replace the regular academic requirements of the youth.

CHAPTER 4—GENERAL PROVISIONS

Section 321. Accountability

Section 321(a). Purpose

The purpose of this section is to provide comprehensive performance measures to assess the progress of States and local areas in assisting both employers and jobseekers in meeting their employment needs, in order to ensure an adequate return on the investment of Federal funds for the activities.

Section 321(b). State performance measures

In order to receive an allotment, a State must establish State performance measures in the State plan. Each State performance measure shall consist of an indicator of performance for adults and dislocated workers participating in activities that are training services and core services, and a performance level for youth participating in youth activities. The State performance measures shall contain an indicator of performance with respect to customer satisfaction of employers and participants. The Secretary and each Governor shall reach agreement on the levels of performance expected to be achieved by the State. The agreement will take into account how the levels compare with those in other States and the extent to which such levels promote continuous improvement in performance by such State and ensure an adequate return on the investment of Federal funds. In developing the State performance measures, a State shall develop and identify in the State plan State performance measures for populations that include, at a minimum, disadvantaged adults, dislocated workers, out-of-school youth, and individuals with disabilities.

Section 321(c). Local performance measures—In general

Each Governor shall negotiate and reach agreement with the local partnership and the chief elected official in each local area on local performance measures. Based on the expectant levels of performance, the Governor shall negotiate and reach agreement with the local partnership and the chief elected official in each local area regarding the levels of performance expected to be achieved for the local area. In negotiating and reaching agreement on the local performance measures, the Governor, local partnership, and chief elected official, shall negotiate and reach agreement on local performance measures for populations that include, at a minimum, disadvantaged adults, dislocated workers, out-of-school youth, and individuals with disabilities. The local partnership shall identify these local performance measures in the local plan.

Section 321(d). Report

Each State that receives an allotment must annually submit a report on the progress of the State in achieving local performance measures. The annual report shall also include information regarding the progress of local areas in achieving local performance measures. The report shall also include information on the status of State evaluations of work force investment activities. The Secretary shall make the information contained in the reports available to Congress, the Library of Congress, and the public.

Section 321(e). Evaluation of State programs

The State shall conduct ongoing evaluations of work force investment activities carried out in the State. The evaluation shall include longitudinal studies of the work force investment activities. The State shall also fund evaluation studies of the work force investment activities. The evaluation studies will provide an ongoing analysis to statewide and local partnerships to promote efficiency and effectiveness in improving employability outcomes for jobseekers and competitiveness for employers. In carrying out the requirements of this act, the State shall comply with section 444 of the General Education Provisions Act.

Section 321(f). Fiscal and management accountability information systems

The Governor shall operate a fiscal and management accountability information system. In measuring the progress of the State on State and local performance measures, a State shall utilize quarterly wage records available through the unemployment insurance system.

Section 321(g). Sanctions

If a State fails to meet 2 or more State performance measures for each of the 3 years covered by a State plan, the Secretary shall determine whether the failure is attributable to adult employment and training activities, dislocated worker employment and training activities, or youth activities. The Secretary may provide technical assistance to the State to improve the level of performance of the State. Upon finding that a State fails to meet two or more State performance measures for 2 consecutive years, the Secretary may reduce, by not more than 5 percent, the allotment given to the State for the category of activities to which the failure is attributable. The Secretary may use the amount retained as a result of a reduction to award an incentive grant or to provide technical assistance.

Section 321(h). Incentive grants

The Secretary may make incentive grants to States that exceed the State performance measures.

Section 321(i). Definitions

This section has the definitions for "former enrollee" and "graduate".

Section 321(j). Other terms

This section states that the Secretary shall issue regulations that identify and define other terms used in this title, in order to promote uniformity in the implementation of this act.

Section 322. Authorization of appropriations

This section authorizes such sums as may be necessary for adult employment and training activities, dislocated worker employment and training activities, and youth activities for each of fiscal years 1999–2003.

SUBTITLE B—JOB CORPS

Section 331. Purposes

The purposes of the subtitle include maintaining a Job Corps program in partnership with the States and local communities, establishing standards and procedures for selecting enrollees, authorizing the establishment of Job Corps centers, and providing other duties and responsibilities.

Section 332. Definitions

In this subtitle, the following terms are defined: applicable local partnership, applicable one-stop customer service center, enrollee, former enrollee, graduate, Job Corps, Job Corps center, operator, region, and service provider.

Section 333. Establishment

This section establishes a Job Corps program within the Department of Labor.

Section 334. Individuals eligible for the Job Corps

Outlines the criteria an individual must meet to be considered for enrollment in the Job Corps. These criteria include: age specifications; income level; and the possession of one or more of several characteristics such as being a school dropout, homeless, or "basic skills deficient."

Section 335. Recruitment, screening, selection, and assignment of enrollees

Section 335(a). Standards and procedures

Standards and procedures for recruitment, screening, and selection will be prescribed by the Secretary of Labor after considering recommendations for Governors, local partnerships, and other interested parties. The subsection provides what, at a minimum, the Secretary shall prescribe and how and in conjunction with whom the standards and procedures will be implemented.

Section 335(b). Special limitations on selection

Lists limitations such as the applicant's ability to function properly in group settings, the individual's basic understanding of Job Corps' rules and consequences of failure, background checks, and the conditions for accepting applicants on probation, parole, or supervised release.

Section 335(c). Assignment plan

Requires the Secretary of Labor to establish a plan through which enrollees will be placed in Job Corps centers. The plan must result first in the "maximum attainable percentage" of enrollees residing in the State in which the Job Corps center is located being placed in the Job Corps center and second the "maximum attainable percentage" of enrollees resining in the region in which the Job Corps center is located being placed in the center.

Section 335(d). Assignment of individual enrollees

Requires that an enrollee be placed in the Job Corps center closest to his or her home with only certain exceptions.

Section 336. Enrollment

Section 336(a). Relationship between enrollment and military obligations

Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act.

Section 336(b). Period of enrollment

No individual may be enrolled in the Job Corps for more than 2 years, except in a case in which completion of an advanced career training program would require an individual to participate in the

Job Corps for not more than one additional year or as the Secretary may authorize in a special case.

Section 337. Job Corps centers

Section 337(a). Operators and service providers

Describes the eligibility criteria for entities who want to run or provide services to Job Corps centers. Operators and Service Providers are selected on a competitive basis.

Section 337(b). Character and activities

Job Corps centers may be residential or nonresidential in character, but that in any year, no more than 20 percent of the Job Corps enrollees may be nonresidential.

Section 337(c). Civilian conservation centers

Job Corps centers may include Civilian Conservation Centers. Entities selected to operate such a center are chosen on a competitive basis, if the center fails to meet such national performance standards as the Secretary shall establish.

Section 337(d). Indian tribes

The Secretary may enter into agreements with Indian tribes to operate Job Corps centers.

Section 338. Program activities

Section 338(a). Activities provided by Job Corps centers

The activities provided by Job Corps centers include vocational training, work experience, and counseling. The vocational training must be linked to job opportunities in the local area to which the participant intends to return after graduation.

Section 338(b). Advanced career training programs

Job Corps centers may provide "advanced career training." This training may be provided to a participant for 1 additional year beyond the participant's period to which the enrollees would otherwise be limited. Participants who receive "advanced career training" are entitled to full Job Corps benefits and operators seeking to enroll additional participants in "advanced career training" must demonstrate that their other "advanced career training" participants have achieved a reasonable rate of completion and placement.

Section 338(c). Continued services

The Secretary shall also provide continued services including counseling in the workplace for 12 months following graduation.

Section 339. Counseling and job placement

Section 339(a). Counseling and job placement

The Secretary shall arrange for counseling and testing for each enrollee at regular intervals to measure progress in the education and vocational training programs carried out through Job Corps.

Section 339(b). Placement

The Secretary shall arrange for counseling and testing for enrollees prior to their scheduled graduations to determine their capabilities and make every effort to arrange to place the enrollees in jobs in the vocations for which the enrollees are trained or to assist the enrollees in obtaining further activities described in this subtitle. The Secretary shall utilize the one-stop customer service system to the fullest extent possible in this process.

Section 339(c). Status and progress

The Secretary shall determine the status and progress of enrollees scheduled for graduation and make every effort to assure that their needs for further activities described in this subtitle are met.

Section 340. Support

Section 340(a). Personal allowances

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances as the Secretary may determine to be necessary to meet the needs of the enrollees.

Section 340(b). Readjustment allowances

The Secretary shall arrange for a readjustment allowance to be paid to eligible former enrollees and graduates.

Section 341. Operating plan

Section 341(a). In general

The contract between the Secretary and an entity selected to operate a Job Corps center shall serve as the operating plan for that center.

Section 341(b). Additional information

The Secretary may require the operator to submit such additional information as the Secretary may require.

Section 341(c). Availability

The Secretary shall make the operating plan, excluding any proprietary information, available to the public.

Section 342. Standards of conduct

Section 342(a). Provision and enforcement

This section provides for the enforcement of disciplinary measures for any violations of the standards of conduct.

Section 342(b). Disciplinary measures

The most notable standard of conduct in the "Zero Tolerance Policy" which tolerates no violence, drugs, alcohol, or other illegal disruptive activity. This section also addresses drug testing, appeal of decisions made by the Job Corps center's director, and certain definitions such as "controlled substance" and "zero tolerance policy."

Section 342(c). Appeal

A disciplinary measure taken by a Director is subject to expeditious appeal in accordance with procedures established by the Secretary.

Section 343. Community participation

Section 343(a). Business and community liaison

Each Job Corps center must have a "Business and Community Liaison", designated by the director of the center.

Section 343(b). Responsibilities

The responsibility of the "Liaison" is to establish and develop relationships and networks with those employers and one-stop centers that graduates will go to for employment. The "Liaison" must also establish relationships with businesses in the community in which the Job Corps center is located.

Section 343(c). New centers

Prior to the opening of a new Job Corps center, the "Liaison" shall begin to develop the above mentioned relationships and networks at least 3 months prior to the date on which the center accepts the first enrollee at the center.

Section 344. Industry councils

Section 344(a). In general

Every Job Corps center shall have an industry council appointed by the center's director after consultation with the Liaison.

Section 344(b). Industry council composition

Outlines who may serve on the industry council. A majority of members must be from the business community.

Section 344(c). Responsibilities

The obligations of the industry council include: determining and recommending appropriate vocational training curriculum, identify employment opportunities in those areas which graduates will go following graduation, and identifying the skills those graduates will need to successfully fill those positions.

Section 344(d). New centers

Industry councils for centers not yet opened must carry out their responsibilities for at least 3 months prior to the center's opening.

Section 345. Advisory committees

The Secretary can use "advisory committees" whenever the Secretary deems outside advice is necessary in running a Job Corps center.

Section 346. Experimental, research, and demonstration projects

This section allows the Secretary to carry out such projects and to waive any provisions of this subtitle that may interfere with such projects.

Section 347. Application of provisions of federal law

Section 347(a). Enrollees not considered to be Federal employees

Except as otherwise provided in this subsection and in section 8143(a) of title 5 of the U.S. Code, Job Corps enrollees are not to be considered as Federal employees and they are not subject to the provisions of the law relating to Federal employment.

Section 347(b). Adjustments and settlements

The Secretary can settle a claim against the United States resulting from the operation of Job Corps in an amount not exceeding $1,500

Section 347(c). Personnel of the Uniformed Services

Addresses the status of personnel of the uniformed services and states that they shall not be used in computing strength or in computing the percentage authorized by law for any grade in such services.

Section 348. Special provisions

Section 348(a). Enrollment

The Secretary shall ensure that women and men have an equal opportunity to participate in the Job Corps program.

Section 348(b). Studies, evaluations, proposals, and data

All the studies, evaluations, proposals, and data that are produced with Federal money shall become the property of the United States.

Section 348(c). Transfer of property

Notwithstanding title II of the Federal Property and Administrative Services Act of 1949, the Secretary and the Secretary of Education shall receive priority by the Secretary of Defense for the direct transfer, on a nonreimbursable basis, of the property. The property is real and personal property under the control of the Department of Defense that is not used by the Department.

Section 348(d). Gross receipts

Transactions conducted by a private for-profit or nonprofit entity that is an operator or service provider for a Job corps center shall not be considered to be generating gross receipts.

Section 348(e). Management fee

The Secretary shall provide each operator and service provider with an equitable and negotiated management fee of not less than 1 percent of the amount of the funding provided.

Section 348(f). Donations

The Secretary may accept charitable donations on behalf of Job Corps.

Section 348(g). Sale of property

If the Administrator of General Services sells a Job Corps center facility, the Administrator shall transfer the proceeds from the sale to the Secretary, who shall use the proceeds to carry out the Job Corps program.

Section 349. Management information

Section 349(a). Financial management information system

The Secretary shall ensure that each Job Corps center operator maintains accurate and complete financial records, proper accounts, and remain fiscally responsible.

Section 349(b). Audit

Job Corps center financial books and records shall be available to the Department of Labor and the Comptroller General of the United States and that the Secretary conduct such audits or surveys at least once every three years.

Section 349(c). Information on core performance measures

The Secretary shall establish performance measures for Job Corps centers, the Job Corps program in general, and recruiters. The Secretary is then required to collect this information and provide a report on the actual performance of the Job Corps compared to expected performance levels.

Section 349(d). Additional information

This section requires the Secretary to submit certain additional items in the above referenced report.

Section 349(e). Methods

This section allows the Secretary to collect information pursuant to the methods described earlier in subtitle A.

Section 349(f). Performance assessments and improvements

The Secretary shall (1) conduct annual assessments of Job Corps centers and then (2) based on the assessments, take certain steps to improve the centers by providing technical assistance, changing the training offered at the center, replacing the operator, reducing the capacity of the center, relocating the center, or closing the center

Section 350. General provisions

The Secretary is authorized to distribute information regarding the Job Corps, collect or compromise all obligations to or held by the Secretary, and expend funds made available for the purposes of this subtitle.

Section 351. Authorization of appropriations

Authorizes such sums as may be necessary for the implementation of this subtitle for the fiscal years 1999–2003.

SUBTITLE C—NATIONAL PROGRAMS

Section 361. Native American programs

Section 361(a). Purpose and policy

The purpose of this section is to support work force investment activities and supplemental services for Indian and Native Hawaiian individuals. All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act and the government-to-government relationship between the Federal Government and Indian Tribal governments.

Section 361(b). Definitions

This section defines "Indian", "Indian tribe", "tribal organization", "Native Hawaiian", and "Native Hawaiian organization".

Section 361(c). Programs authorized

The Secretary shall make grants to or enter into contracts (or cooperative agreements) with the above organizations.

Section 361(d). Authorized activities

Funds should be used to meet the needs of Indians or Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment. Funds shall be used for building a comprehensive facility to be utilized by American Samoans residing in Hawaii for the co-location of federally funded and State funded work force investment activities. The funds shall also be used for comprehensive work force investment activities for Indians or Native Hawaiians, or supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

Section 361(e). Program plan

In order to receive a grant, an entity must submit a plan to the Secretary that describes a 2-year strategy for meeting the needs of Indian or Native Hawaiian individuals.

Section 361(f). Consolidation of funds

Each group that receives assistance under this plan may consolidate the assistance with the assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992.

Section 361(g). Nonduplicative and nonexclusive services

Nothing in this section should be construed to limit the entities described in this Section from being able to participate in, or be eligible for, any other State activities.

Section 361(h). Administrative provisions

The Secretary shall designate a single organizational unit within the Department of Labor that shall have primary responsibility for the administration of the activities authorized in this section. The Secretary shall consult with the entities in this section to establish regulations and develop a funding distribution plan. The Secretary may waive inconsistent requirements of this title except for requirements related to wage and labor standards, worker rights, participation and protection of participants, grievance procedures, and judicial review. The Secretary shall establish a Native American Employment and Training Council. The Council shall be composed of individuals who are representatives of the entities in this section. The Council shall advise the Secretary on all aspects of the operation and administration of programs under this section. The Council members shall serve without compensation, but the members of the Council shall be allowed travel expenses. The Council shall select a chairperson from among its members. The Council shall meet not less than twice each year. The Secretary can provide technical assistance to help improve the activities authorized under this section.

Section 362. Migrant and seasonal farmworker programs

Section 362(a). In general

Every 2 years, the Secretary shall make grants to, or enter contracts with, eligible entities on a competitive basis to carry out migrant and seasonal farmworker programs.

Section 362(b). Eligible entities

To be eligible, an entity shall have an understanding of the problems of eligible migrants and seasonal farmworkers (including dependents), a familiarity with the area to be served, and the ability to demonstrate a capacity to administer effectively a diversified program of work force investment activities (including youth activities) and related assistance for eligible migrant and seasonal farmworkers.

Section 362(c). Program plan

To be eligible, an entity must submit a 2-year strategy plan. The competition for grants shall be conducted every 2 years, except that the Secretary can waive the competition requirement if the previous recipient of the grant performed satisfactorily for the previous 2-year period and has handed in a satisfactory 2-year plan for the succeeding period. The plan needs to describe how the education and employment needs of migrants and seasonal farmworkers will be met, how the work force investment activities will be carried out, the related assistance to be provided, and a description of the performance measures to be used.

Section 362(d). Authorized activities

Funds made available under this section shall be used to carry out work force investment activities (including youth activities) and provide related assistance for eligible migrant and seasonal farmworkers.

Section 362(e). Consultation with Governors and local partnerships

In making grants and entering into contracts under this section, the Secretary shall consult with the Governor and local partnerships of the States in which the eligible entities will carry out activities.

Section 362(f). Regulations

The Secretary shall consult with eligible migrant and seasonal farmworker groups in establishing regulations to carry out this section, including performance measures for eligible entities that take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.

Section 362(g). Definitions

This section gives definitions of "disadvantaged", "eligible migrant and seasonal farmworkers", "eligible migrant farmworker", and "eligible seasonal farmworker".

Section 363. Veterans' workforce investment programs

Section 363(a). Authorization

The Secretary shall conduct programs to meet the needs for work force investment activities of service-connected disabled veterans, Vietnam era veterans, and recently separated veterans. Public agencies and private nonprofit organizations, that the Secretary determines to have an understanding of unemployment problems of veterans, can conduct the programs under this section. The programs shall include activities to enhance other services already provided to veterans, activities to provide work force investment activities, and outreach and public information activities.

Section 363(b). Administration of programs

The Secretary shall administer the programs through the Assistant Secretary for Veterans' Employment and Training. The Assistant Secretary shall be responsible for the awarding of grants and contracts, distributing funds, and consulting with the Secretary of Veterans Affairs to ensure that the programs supported under this section are coordinated with existing programs.

Section 364. Youth opportunity grants

Section 364(a). Grants

The Secretary shall make grants to eligible local partnerships to provide activities for youth to increase the long-term employment of eligible youth. The Secretary can give a 1-year grant, and may renew the grant for each of the 4 succeeding years. The minimum amount for the first year of a grant is $10 million.

Section 364(b). Use of funds

The funds shall be used to meet the youth activities requirements, as well as youth development activities. A local partnership shall provide intensive placement services, and follow-up services for not less than 24 months after the completion of participation in the program, as appropriate.

Section 364(c). Eligible local partnerships

To be eligible to receive a grant, a local partnership shall serve a community that has a population of at least 50,000 and has been designated as an empowerment zone or an empowerment community, or in a State without an empowerment zone or community, the local partnership shall serve a community that has been designated as a high poverty area by the Governor of the State.

Section 364(d). Application

To be eligible to receive funds, a local partnership shall submit an application to the Secretary describing the activities that the local partnership will provide, a description of the performance measures, and a description of the community and financial support for the program.

Section 364(e). Performance measures

The Secretary shall negotiate and reach agreement with the local partnership on performance measures. The Secretary shall negotiate and reach agreement with the local partnership regarding the levels of performance expected to be achieved by the local partnership.

Section 365. Incentive grants

Section 365(a). In general

The Secretary may make grants to States that exceed the State performance measures established by the Secretary of Education and the State performance measures established under this title.

Section 365(b). Priority

The Secretary shall give priority in awarding incentive grants to those States submitting a State unified plan. A State that receives an incentive grant shall use the funds to carry out innovative programs as determined by the State.

Section 366. Technical assistance

Section 366(a). Transition assistance

The Secretary shall provide technical assistance to assist States in making transitions from carrying out activities under provisions described in section 391 to carrying out activities under this title.

Section 366(b). Performance improvement

The Secretary shall provide technical assistance to States that do not meet a State performance measure for a program year and may provide technical assistance to promote the continuous improvement of the programs and activities authorized under this title. Grants or contracts awarded in excess of $50,000 for technical assistance shall only be awarded on a competitive basis. The Secretary shall reserve not more than 5 percent of the amount provided for technical assistance with respect to employment and training activities for dislocated workers. Funds may be used to train staff to provide rapid response services through the dislocated worker office.

Section 367. Demonstration, pilot, multi-service, research, and multi-State projects

Section 367(a). Strategic plan

Every 2 years, the Secretary shall publish a plan in the Federal Register that describes the demonstration and pilot, multiservice, research, and multi-State project priorities of the Department of Labor concerning employment and training for the 5-year period following the submission of the plan. Copies of the plan need to be given to the appropriate committees of Congress. The plan shall contain strategies to address national employment and training problems, among other factors.

Section 367(b). Demonstration and pilot projects

The Secretary shall carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs. Grants or contracts awarded for carrying out these projects shall only be awarded on a competitive basis, except that a noncompetitive award may be made in the case of a project that is jointly funded with other public or private sector entities that provide a substantial portion of the funding for the project. The grants and contracts can only be given to entities with recognized expertise in conducting national demonstration projects, utilizing state-of-the-art demonstration methods, and conducting evaluations of employment and training projects or State and local entities with experience in operating or overseeing employment and training programs.

Section 367(c). Multi-service projects

The Secretary shall carry out multiservice projects. Grants or contracts awarded for carrying out these projects shall only be awarded on a competitive basis. A grant or contract shall not be awarded to the same organization for more than 3 consecutive years unless such grant or contract is competitively reevaluated within such period.

Section 367(d). Research

The Secretary shall carry out research projects that will contribute to the solution of employment and training problems in the United States. Grants or contracts awarded in excess of $50,000 for technical assistance shall only be awarded on a competitive basis, except that a noncompetitive award may be made in the case of a project that is jointly funded with other public or private sector entities that provide a substantial portion of the funding for the project. Grants or contracts shall be awarded only to entities with nationally recognized expertise in the methods, techniques, and knowledge of the social sciences.

Section 367(e). Multi-State projects

The Secretary may carry out multi-State projects through grants or contracts. Grants or contracts awarded for carrying out these projects shall only be awarded on a competitive basis. A grant or contract shall not be awarded to the same organization for more than 3 consecutive years unless such grant or contract is competitively reevaluated within such period.

Section 367(f). Dislocated worker projects

The Secretary shall use not more than 5 percent of funds made available to carry out demonstration and pilot projects, multiservice projects, and multi-State projects, relating to the employment and training needs of dislocated workers. Such projects shall be administered through the dislocated worker office.

Section 367(g). Peer review

The Secretary shall use a peer review process to review and evaluate all applications for grants and contracts in amounts that exceed $100 thousand and review and designate exemplary and promising programs.

Section 368. Evaluations

Section 368(a). Programs and activities carried out under this title

In order to improve the management and effectiveness of programs and activities carried out under this title, the Secretary shall provide for the continuing evaluation of the programs and activities.

Section 368(b). Other programs and activities

The Secretary may conduct evaluations of other federally funded employment-related programs and activities.

Section 368(c). Techniques

The evaluations shall utilize appropriate methodology and research designs, which may include the use of control groups chosen by scientific random assignment methodologies. Such an evaluation shall be conducted by a person not immediately involved in the administration of the program or activity being evaluated.

Section 368(d). Reports

A draft and final report of the evaluation shall be submitted to the Secretary containing the results of the evaluation.

Section 368(e). Reports to Congress

No later than 30 days after the completion of the draft report, the Secretary shall transmit the draft report to the appropriate committees of Congress. No later than 60 days after the completion of the final report, the Secretary shall transmit the final report to the appropriate committees of Congress.

Section 369. National emergency grants

Section 369(a). In general

The Secretary can award a national emergency grants to provide assistance to workers affected by major economic dislocations, to provide assistance to a Governor of a State that has suffered an emergency or major disaster, and to provide additional assistance for eligible dislocated workers in a case in which the State or local partnership has expended the funds provided and can demonstrate the need for additional funds to provide services for the dislocated workers.

Section 369(b). Administration

There shall be a dislocated worker office to coordinate the functions of the Secretary relating to national emergency grants.

Section 369(c). Employment and training assistance requirements

To be able to receive a grant, an entity must submit an application to the Secretary. In this subsection, the term "entity" means a State, a local partnership, an entity described in section 361(c), an employer or employer association, a labor organization, and an entity determined to be eligible by the Governor of the State involved.

Section 369(d). Disaster relief employment assistance requirements

Funds shall also be used to provide disaster relief employment. An individual shall be eligible to be offered disaster relief employment if such individual is a dislocated worker, a long-term unemployed individual, or is temporarily or permanently laid off as a consequence of the disaster. No individual shall be employed for more than 6 months for work related to recovery from a single natural disaster.

Section 370. Authorization of appropriations

Section 370(a). In general

Native American programs, migrant and seasonal farmworker programs, veterans' employment programs, incentive grants, technical assistance, demonstration and pilot projects, and evaluations are authorized to be appropriated with such sums as may be necessary for each of the fiscal years 1999–2003.

Section 370(b). Reservations

The Secretary shall reserve not less than $55 million for section 361, reserve not less than $70 million for section 362, and reserve not less than $7.3 million for section 363. The Secretary shall reserve 36.8 percent for section 365, reserve 25 percent for section 366 (other than section 366(b)(2)), reserve 24.2 percent for section 367 (other than 367(f)), and reserve 14 percent for section 368.

SUBTITLE D—ADMINISTRATION

Section 371. Requirements and restrictions

Section 371(a). Benefits

Individuals in on-the-job training or individuals employed in programs carried out under this title shall be compensated at the same rates as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar skills. The wages should not be less than the higher of the rate specified in section 6(a)(1) of the FLSA of 1938 or the applicable

State or local minimum-wage law. Allowances, earnings, and payments to individuals shall not be considered as income for the purposes of determining eligibility for any Federal program based on need, other than as provided under the Social Security Act.

Section 371(b). Labor standards

A participant in a program shall not displace any currently employed employee. A specified activity shall not impair an existing contract for services or collective bargaining agreement. No such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned. A participant in a specified activity shall not be employed in a job when any other individual is on layoff from the same or substantially equivalent job with the participating employer, when the employer has terminated the employment of any regular employee with the intention of filling the vacancy so created with the participant, or if the participant will infringe in any way on the promotional opportunities of currently employed individuals. Federal and State health and safety laws shall apply equally to participants as it does to other employees. To the extent applicable, a State workers' compensation law shall apply equally to participants as it does to other employees. Participants in the program shall also receive the same benefits and working conditions as other employees working a similar length of time and doing the same type of work. Members of the public shall be provided the opportunity to submit comments in regards to the proposed programs.

Section 371(c). Grievance procedure

Each State shall establish a procedure for grievances or complaints. The procedure will include an opportunity for a hearing and be completed within 60 days after the date of the filing of the grievance or complaint. The Secretary will investigate an allegation of a violation if a decision is not reached within 60 days and either party appeals to the Secretary, or a decision is made within 60 days and the party to which the decision is adverse appeals the decision to the Secretary. The Secretary shall make a decision on the appeal no later than 120 days after the date of the appeal. Remedies shall be limited to suspension or termination of payments to a person in violation, to prohibition of placement of a participant with an employer that is in violation, to reinstatement of an employee, payment of lost wages and benefits, and where appropriate, to other equitable relief.

Section 371(d). Relocation

No funds shall be used to encourage or induce the relocation of a business if the relocation would result in a loss of employment for any employee of the business at the original location and such original location is within the United States. No funds shall be used for customized or skill training and related activities after relocation, until the date that is 120 days after the date on which such business commences operations at the new location, if the relocation resulted in the loss of employment for any employee of the business at the original location and such original location is within the United States. If the Secretary determines that a violation has occurred, the Secretary shall require the State to repay to the United States an amount equal to the amount expended in violation of the relocation prohibition.

Section 371(e). Limitation on use of funds

No funds shall be used for employment generating activities, economic development activities, activities for the capitalization of businesses, investment in contract bidding resource centers, or similar activities. No funds shall be available to be used for foreign travel.

Section 372. Prompt allocation of funds

Section 372(a). Allotments and allocations based on latest available data

All allotments and allocations shall be based on the latest available data and estimates satisfactory to the Secretary. All data relating to disadvantaged adults, disadvantaged youth, and low-income individuals shall be based on the most recent satisfactory data from the Bureau of the Census.

Section 372(b). Publication in Federal Register relating to formula funds

The Secretary shall publish the proposed amount to be distributed in the Federal Register.

Section 372(c). Requirement for funds distributed by formula

The funds shall be allotted or allocated within 45 days after the date of enactment of the act appropriating the funds, except that, if such funds are appropriated in advance, such funds shall be allotted or allocated not later than March 31 preceding the program year for which such funds are to be available.

Section 372(d). Availability of funds

Funds shall be made available to the chief elected official for a local area not later than 30 days after the date the funds are made available to the Governor involved, or 7 days after the date the local plan for the area is approved, whichever is later.

Section 373. Monitoring

Section 373(a). In general

The Secretary is authorized to monitor and investigate all recipients of financial assistance to ensure that the recipients are in compliance with the provisions of this title.

Section 373(b). Investigations

The Secretary may investigate any matter the Secretary determines to be necessary to determine the compliance of the recipients with this title, including the regulations issued under this title.

Section 373(c). Additional requirement

For the purpose of any investigation or hearing conducted under this title by the Secretary, the provisions of section 9 of the Federal

Trade Commission Act apply to the Secretary to the same extent as the provisions apply to the Federal Trade Commission.

Section 374. Fiscal controls; sanctions

Section 374(a). Establishment of fiscal controls by States

Each State shall establish fiscal controls to assure proper disbursal of, and accounting for, Federal funds allocated to local areas. The Secretary shall prescribe regulations establishing uniform cost principles. Each Governor shall prescribe and implement procurement standards to ensure fiscal accountability and to prevent fraud and abuse. The Governor shall also conduct onsite monitoring of each local area to ensure compliance. If the Governor determines that a local area is not in compliance, the Governor shall require corrective action and impose sanctions in the event of failure to take the required corrective action. Every 3 years, the Governor shall certify to the Secretary that the State has implemented procurement standards and monitored local areas to ensure compliance with procurement standards. If the Secretary determines that the Governor has not met the necessary standards, the Secretary shall require corrective action and impose sanctions in the event of failure to take the required corrective action.

Section 374(b). Substantial violation

If the Governor determines that there has been a substantial violation, the Governor shall impose a reorganization plan. The action taken by the Governor can be appealed to the Secretary, who must make a final decision on the appeal not later than 60 days after the receipt of the appeal. If the Governor fails to take the required action, the Secretary shall take such action.

Section 374(c). Access by Comptroller General

For the purpose of evaluating and reviewing programs and activities established or provided for by this title, the Comptroller General shall have access to and the right to copy any documents pertinent to programs and activities in the possession, custody, or control of a State, a local partnership, any recipient of funds under this title, or any subgrantee or contractor of such a recipient.

Section 374(d). Repayment of certain amounts to the United States

Funds found not to have been expended in accordance with this title shall be repaid to the United States. The Secretary can offset repayment of expenditures entitled to the State against the amount that a State spends in a manner contrary to the requirements of this title. If a local area misspends the funds, the Governor may deduct the amount owed to the local area during the next program year.

Section 374(e). Repayment of amounts

Each recipient of funds, shall be liable to repay the misspent funds from funds other than the funds received under this title, upon a determination by the Secretary that the misexpenditure of funds was due to willful disregard of the requirements of this title, gross negligence, failure to observe accepted standards of administration, or a pattern of misspent funds. No determination shall be made without notice and an opportunity for a hearing. The Secretary may take factors into consideration in determining whether an imposition of sanctions is appropriate.

Section 374(f). Immediate termination or suspension of assistance in emergency situations

In emergency situations, if the Secretary determines it is necessary to protect the funds or ensure the proper operation of the program or activity involved, the Secretary may immediately terminate or suspend financial assistance to the recipient if the recipients given prompt notice and an opportunity for a hearing within 30 days after termination or suspension.

Section 374(g). Discrimination against participants

If the Secretary determines that any recipient of funds has discharged or discriminated against any participant, the Secretary shall, within 30 days after the date of the determination, take such action as may be necessary with respect to the recipient or the aggrieved individual.

Section 347(h). Remedies

The remedies described in this section shall not be construed to be the exclusive remedies available for violations described in this section.

Section 375. Reports; recordkeeping; investigations

Section 375(a). Reports

Recipients are required to keep accurate records. The records must be submitted to the Secretary when they are requested. Recipients shall maintain standardized records for all individual participants. Records must be made available to the public upon request, except for information that would constitute an invasion of personal privacy and trade secrets, or commercial or financial information, that is obtained from a person and is privileged or confidential. Recipients may charge fees sufficient to cover costs associated with retrieving records for the public.

Section 375(b). Investigations of use of funds

The Secretary shall conduct, in several States, in each fiscal year, investigations of the use of funds received by recipients. The Comptroller General may also conduct investigations of the use of funds. Neither the Secretary or Comptroller General can request a compilation of information that the recipient is not otherwise required to compile. In carrying out any audit, the Secretary, the Inspector General of the Department of Labor, or the Comptroller General shall give advance notification to the entity that is to be audited. The advance notification should state the overall objectives and purposes of the audit, and any extensive recordkeeping or data requirements to be met, not later than 14 days (or as soon as practicable), prior to the commencement of the audit.

Section 375(c). Accessibility of reports

Each State, local partnership, and recipient shall make reports readily accessible and meet the requirements set forth by the Secretary.

Section 375(d). Information to be included in reports

The reports should include relevant demographic characteristics, the programs in which participants are enrolled and the length of time in which they are engaged in the programs, the outcomes of the programs, the specified costs of the programs, and information needed to meet the requirements of this title. All elements of the information required should be defined and reported uniformly.

Section 375(e). Retention of records

The Governor of a State shall ensure that requirements are established for retention of all records of the State pertinent to this title. The State shall retain the records for 2 subsequent program years. The State shall retain records for nonexpendable property that is used to carry out this title for a period of 3 years after final disposition of the property.

Section 375(f). Quarterly financial reports

Each local partnership shall submit quarterly financial reports to the Governor. Each State shall submit to the Secretary, on a quarterly basis, a summary of the reports submitted to the Governor.

Section 375(g). Maintenance of additional records

Each State and local partnership shall maintain records that identify any income or profits earned and any costs incurred that are otherwise allowable except for funding limitations.

Section 375(h). Cost categories

Costs only need to be categorized as administrative or programmatic costs.

Section 376. Administrative adjudication

Section 376(a). In general

An applicant who does not receive financial assistance in whole or part under this title may request a hearing before an administrative law judge of the Department of Labor. A similar hearing can be requested by a recipient for whom a corrective action has been required or a sanction has been imposed. Other disputes shall be adjudicated under grievance procedures established by the recipient or under applicable law other than this title.

Section 376(b). Appeal

The decision of the administrative law judge shall constitute final action by the Secretary, unless there is an appeal within 20 days after receipt of the decision. The Secretary then has 30 days after the filing of the appeal to notify the parties whether the appeal has been accepted for review.

Section 376(c). Time limit

Any case accepted for review shall be decided within 180 days after acceptance. If the case is not decided within the 180-day period, the decision of the administrative law judge shall become the final decision of the Secretary.

Section 376(d). Additional requirement

The judicial review process described in section 377 shall apply to any final action of the Secretary under this section.

Section 377. Judicial review

Section 377(a). Review

A party may obtain review of a final order of the Secretary in the U.S. Court of Appeals having jurisdiction over the applicant or recipient of funds involved, by filing a review petition within 30 days after the date of issuance of such final order. The questions of law and the findings of fact will be limited to what was raised in the original appeal to the Secretary and the Court should act upon the petition expeditiously.

Section 377(b). Judgment

The court shall have jurisdiction to make and enter a decree affirming, modifying, or setting aside the order of the Secretary in whole or in part. The decision of the Court shall be final, subject to certiorari review by the Supreme Court.

Section 378. Nondiscrimination

Section 378(a). Prohibited discrimination

There is a prohibition on all forms of discrimination in Federal programs and activities under this title. No individual shall be excluded from participation in any activity with any program or activity because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief. Participants shall not be employed to carry out the construction, operation, or maintenance of any part of any facility that is used or to be used for sectarian instruction or as a place for religious worship. There is a prohibition on discrimination on the basis of participant status. There is also a prohibition on discrimination against citizens and nationals of the United States, lawfully admitted permanent resident aliens, refugees, asylees, and parolees, other aliens lawfully present in the United States, and other individuals authorized to work in the United States.

Section 378(b). Action of Secretary

If the Secretary finds that a State or other recipient of funds has failed to comply with the discrimination provisions, the State or recipient has a period of time, not to exceed 60 days, to comply. If there is no compliance, the Secretary may refer the matter to the Attorney General or take such other action as may be provided by law.

Section 378(c). Action of Attorney General

The Attorney General may bring a civil action in any appropriate district court against any State or recipient of funds if there has been a pattern or practice of discrimination.

Section 378(d). Job Corps members

Job Corps members shall be considered as the ultimate beneficiaries of an education program or activity receiving Federal financial assistance.

Section 379. Administrative provisions

Section 379(a). In general

The Secretary is allowed to establish certain rules and regulations necessary to implement and administer this title.

Section 379(b). Acquisition of certain property and services

The Secretary is allowed to acquire or accept real or personal property or services to further the purposes of this title.

Section 379(c). Authority to enter into certain agreements and to make certain expenditures

The Secretary is allowed to enter into contracts or otherwise allocate or expend funds in furtherance of this title.

Section 379(d). Annual report

The Secretary shall submit a report to Congress including summaries of certain activities and recommendation for improvement.

Section 379(e). Utilization of services and facilities

The Secretary is allowed to accept the services of other departments and agencies of the United States in carrying out the purposes of this title.

Section 379(f). Obligational authority

Disallows the Secretary from entering into any contracts except for those provided for in this title and in such amounts as are provided in advance in appropriations Acts.

Section 379(g). Program year

Funds are to be made available only on the basis of a program year; said program year to begin of July 1. Furthermore, this subsection addresses the availability of funds for States and localities within a program year.

Section 379(h). Enforcement of Military Selective Service Act

The Secretary shall ensure that no one receiving benefits or services under this title is violating the Military Selective Service Act.

Section 379(i). Waivers

This section allows States to apply for and receive waivers of provisions of this title to further or better effectuate the purposes of this title.

Section 380. State legislative authority

Section 380(a). Authority of State legislature

Nothing in this title shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this title, of the activities assisted under this title. Any funds received by a State under this title shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under this title.

Section 380(b). Interstate compacts and cooperative agreements.

If compliance with provisions of this title would be enhanced by compacts and cooperative agreements between States, the consent of Congress is given to States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

SUBTITLE E—REPEALS AND CONFORMING AMENDMENTS

Section 391. Repeals

Section 391(a). General immediate repeals

The following provisions are repealed: Section 204 of the Immigration Reform and Control Act of 1986, Title II of Public Law 95-250, the Displaced Homemakers Self-Sufficiency Assistance Act, Section 211 of the Appalachian Regional Development Act of 1965, Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act, Subchapter I of chapter 421 of Title 49, U.S. Code.

Section 391(b). Subsequent repeals

The following provisions are repealed: the JTPA and Title VII of the Stewart B. McKinney Homeless Assistance Act, except subtitle B and section 738 of such title.

Section 392. Conforming amendments

Section 392(a). Preparation

The Secretary, after consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, shall prepare recommended legislation containing technical and conforming amendments to reflect the changes made by this subtitle.

Section 392(b). Submission to Congress

The Secretary shall submit to Congress the recommended legislation no later than 6 months after the date of enactment of this act.

Section 393. Effective dates

Section 393(a). Immediate repeals

The repeals made by section 391(a) shall take effect on the date of enactment of this act.

Section 393(b). Subsequent repeals

The repeals made by section 391(b) shall take effect on July 1, 1999.

TITLE IV—WORKFORCE INVESTMENT-RELATED ACTIVITIES

SUBTITLE A—WAGNER-PEYSER ACT

Section 401. Definitions

Amends section 2 of the Wagner-Peyser Act to reflect the definitions of local workforce investment area, local workforce investment partnership, and one-stop customer service system.

Section 402. Functions

Section 402(a). In general

Amends section 3(a) of the Wagner-Peyser Act to state that the Secretary shall assist in the coordination and development of a nationwide system of public labor exchange services, assist in the development of improvement models for a nationwide system, and ensure the provision of re-employment services and other activities in which individuals are required to participate to receive compensation.

Section 402(b). Conforming amendments

Amends section 508(b)(1) of the Unemployment Compensation Amendments of 1976.

Section 403. Designation of State agencies

Amends section 4 of the Wagner-Peyser Act.

Section 404. Appropriations

Amends section 5(c) of the Wagner-Peyser Act.

Section 405. Disposition of allotted funds

Amends section 7 of the Wagner-Peyser Act by striking certain provisions and adding at the end that all job search, placement, recruitment, labor market information, and other labor exchange services authorized shall be provided as part of the one-stop customer service system established by the State.

Section 406. State plan

Amends section 8 of the Wagner-Peyser Act by adding that a State must submit detailed plans for carrying out the provisions of this Act and striking certain provisions.

Section 407. Repeal of federal advisory council

Repeals section 11 of the Wagner-Peyser Act.

Section 408. Regulations

Amends section 12 of the Wagner-Peyser Act by striking "The Director . . ." and inserting "The Secretary".

Section 409. Labor market information

Amends the Wagner-Peyser Act by inserting a section on Labor Market Information. The section describes the labor market information formation and process. In summary, the Secretary shall oversee the development of a system of labor market information that includes statistical data, state and local employment information, technical standards, procedures to ensure compatibility and additivity of the data and information, procedures to support standardization and aggregation of data from administrative reporting systems, analysis of data, and wide dissemination of that data through programs of research and demonstration, and technical assistance for States and localities. The information submitted should remain confidential among officers, employees, and agents of the Federal Government. The labor market information system shall be run through a cooperative governance structure involving the Federal Government and States. The Secretary shall assign responsibilities within the Department of Labor to ensure that all labor market information is collected in a consistent manner with appropriate Bureau of Labor Statistics standards and definitions and establish procedures to ensure proper maintenance of the system. The Secretary shall also prepare an annual plan on labor market information systems. The Governor of a State shall designate a single State agency to be responsible for the establishment and management of the statewide labor market information system. Funds are appropriated to carry out this section for each of the fiscal years of 1999 through 2003.

Section 410. Technical amendments

Amends various provisions of the Wagner-Peyser Act by striking "Secretary of Labor" and inserting "Secretary".

SUBTITLE B—LINKAGES WITH OTHER PROGRAMS

Section 421. Trade Act of 1974

Amends section 241 of the Trade Act of 1974 by adding that a State shall submit an appropriate application to the Secretary in order to be eligible to receive funds.

Section 422. National Apprenticeship Act

Amends the National Apprenticeship Act by inserting a section on Coordination and Nonduplication. In summary, the section states that the Secretary of Labor shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this act.

Section 423. Veterans' employment programs

Amends Chapter 41 of title 38, United States Code, by adding a section on Coordination and Nonduplication. In summary, the section states that the Secretary of Labor shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this act.

Section 424. Older Americans Act of 1965

Amends section 502(b)(1) of the Older Americans Act of 1965 by striking certain provisions and adding that additional descriptions and information must be provided to the Secretary.

SUBTITLE C—TWENTY-FIRST CENTURY WORKFORCE COMMISSION

The bill establishes a national commission comprised of educators, technology industry leaders, and government officials. The commission is charged with studying the causes of the technology skills shortage in the labor force, evaluating existing programs worldwide, and recommending potential solutions in a report to the President and Congress.

Sec. 431. Short Title—The Twenty-First Century Workforce Commission Act.

Sec. 432. Findings—Outlines the importance and rapid growth of the information technology industry in the United States, the skills shortage in the workforce, and the need for a concerted effort.

Sec. 433. Definitions—Defines terms used in the act.

Sec. 434. Establishment of Commission—Establishes the commission, outlines the appointment process, and lists the members. Sets the commission's meeting schedule.

Sec. 435. Duties—Provides that the commission shall undertake a study of the technology skills shortage in the workforce, outline potential solutions, and evaluate the efficacy of programs in the United States and foreign countries to provide for an increase in the number of skilled information technology workers. Provides that the commission shall consult with and facilitate the exchange of information with federal, state, and local governments. Provides that the commission shall issue a report to the President and Congress outlining its findings and recommendations within a year.

Sec. 436. Powers—Permits the commission to hold hearings, gather information from Federal agencies, use the mails, and accept gifts of services and property.

Sec. 437. Personnel Matters—Outlines issues pertaining to staff, compensation, and procurement of services.

Sec. 438. Termination—Provides for the termination of the commission 90 days after submission of its report.

Sec. 439. Authorization—Provides an authorization of appropriations.

TITLE V—GENERAL PROVISIONS

Section 501. State unified plans

Section 501(a). Purpose

The purpose of this section is to permit and encourage the submission of State unified plans, to assure coordination of and to avoid duplication between the activities carried out through the one-stop customer service systems.

Section 501(b). Definitions

This section defines "appropriate Secretary", "appropriate State agency", and "system program".

Section 501(c). State unified plan

A State may develop and submit to the appropriate Secretaries a State unified plan for 2 or more of the system programs.

Section 501(d). Contents

In a State that decides to develop a State unified plan, the plan shall contain planning provisions and planning requirements. The plan also needs to contain a description of the systems of the plan and an assurance that the funds appropriated to carry out the plan will be used to supplement and not supplant other Federal, State, and local public funds expended to carry out the activities.

Section 501(e). Development

The provisions of the plan shall be developed by the statewide partnership. The Governor and the head of the appropriate State agency have the final authority to determine the content of the portion of the State unified plan that relates to the system program.

Section 501(f). Submission

After the heads of the appropriate State agencies approve the portions of the State unified plan that relate to their system programs, the State unified plan shall be submitted to the appropriate Secretaries by the Governor and an eligible agency, in the case of a plan relating to the system program of the eligible agency.

Section 501(g). Approval by the appropriate Secretaries

Each of the appropriate Secretaries shall have the authority to approve the section of the State unified plan relating to the system program for which the Secretary has authority. Upon the approval of the Secretary, the portion of approved plan shall be implemented by the State pursuant to the State unified plan. The plan shall be considered approved by the appropriate Secretary 60 days after the Secretary received the plan, unless the Secretary makes a written determination, during the 60 day period, that the portion of the plan does not substantially reflect the planning requirements of the appropriate Federal statutes authorizing the system programs.

Section 502. Transition provisions

Section 502(a). In general

The Secretary of Education or Labor, as appropriate, shall take the appropriate steps to provide for the orderly transition to the authority of this act from any authority under provisions of law to be repealed under subtitle E of Title I, subtitle B of title II, or subtitle E of title III, or any related authority.

Section 502(b). Extended transition period

If, on or before July 1, 1999, a State has enacted a State statute that provides for the establishment or conduct of 3 or more of the programs, projects, or activities described in this section, the State shall not be required to comply with provisions of this Act that conflict with the provisions of such State statute relating to such programs, projects, or activities for the period ending 3 years after the effective date specified in section 503(a). After the 3 year period, the Secretary of Education or Labor, as appropriate, shall allow a State to continue operating under such State statute if the State is meeting the State performances measures of the State.

Section 503. Effective date

Section 503(a). In general

Except as otherwise provided in this act, this act takes effect on July 1, 1999.

Section 503(b). Early implementation

At the option of the State, the Governor and the chief official of the eligible agencies in the State may use funds made available, or any related authority to implement this act at any time prior to July 1, 1999.

VIII. ADDITIONAL VIEWS

ADDITIONAL VIEWS OF SENATOR PAUL WELLSTONE

In reauthorizing the Adult Education Act, the Workforce Investment Partnership Act allows continued Federal support for literacy training of parents in a family context. Parents' increased skills can enrich and make more productive not only their own lives, but those of their children as well. Congress has recognized and promoted the value and importance of family literacy through a variety of legislative provisions. Family literacy has in turn clearly demonstrated its effectiveness, including through a multigenerational approach such as in the Even Start family literacy program. Parents begin reading to their children and support their education. Children whose parents participate are less likely to require special education or to be held back in school. Family literacy is beginning to build an inspiring tradition of success to replace the threat of failure among difficult-to-serve populations, including in Minnesota communities such as Rochester and South St. Paul/Inver Grove Heights.

Family literacy services are included in the array of adult education and literacy services supported in the bill. It is my hope that the Secretary of Education will take into account the unique contributions and outcomes of family literacy programs in developing performance measures to assess success rates in adult literacy. Family literacy services should be included in national and state leadership activities. Government entities carrying out adult education and literacy programs in the bill should work with organizations and institutions with a record of providing effective training and technical assistance to family literacy providers to assure use of the most appropriate kind of technical assistance, materials and information regarding best practices, as well as program evaluation.

Regarding Federal job training programs, the bill appropriately moves the Federal workforce program delivery infrastructure in the direction in which the State of Minnesota has moved decisively in recent years: toward a system of one-stop delivery centers. The bill generally prohibits new local partnerships, successors to the present system's private industry councils (PICs), from directly providing training services. This bill wisely recognizes, however, the important role that local partnerships should and will play in providing "core" services, described in Section 315. These services include providing an array of information services, outreach, intake, orientation, skills assessment, case management, job search and placement, as well as other supportive services. The bill also correctly allows the Governor of a State to waive the prohibition against delivery of training services by a local partnership in cases where necessary services cannot be provided by another available public or private entity. Experience in Minnesota and other States indicates that a number of PICs have directly provided a range of services effectively and without conflict of interest, and that it may be necessary and beneficial to continue some such practices, especially in certain rural areas.

Finally, it is my hope to include in the bill before final Senate passage provisions to update the definition of the population to be served by Veterans' Job Training programs, as well as to allow the ntinued operation of rural concentrated employment programs EPs). The bill reconstitutes current JTPA veterans' programs as terans' Workforce Investment Programs. It is important that the l clearly authorize the Department of Labor to serve Gulf War terans and homeless veterans, among others, consistent with curnt practice in certain other Federal programs. Rural CEPs serve eas of high unemployment in four States and meet a particular ed long recognized by Congress.

PAUL WELLSTONE.

ADDITIONAL VIEWS OF THE MINORITY MEMBERS

This legislation represents a significant step forward in reforming employment and training programs. It will truly expand career options, encourage greater program innovation, and facilitate cooperative efforts among business, labor, education, and State and local governments. We wish to commend Chairman Jeffords and Senator DeWine for the genuine spirit of bipartisanship throughout the process which has made this landmark legislation possible. While there are several significant issues that remain to be resolved, the Chairman has assured us that they will be worked out before the bill goes to the floor in the same spirit of bipartisanship. Based on that assurance, we have supported the legislation unanimously as a Committee.

An educated work force has become the most valuable resource in the modern economy. Our Nation's long term economic vitality depends on the creation of an effective, accessible, and accountable system of job training and career development which is open to all our citizens. Schools must assume more responsibility for preparing their students to meet the challenges of the 21st century workplace. Disadvantaged adults and out-of-school youth need the opportunity to develop job skills which will make them productive members of the community. Dislocated workers who have been displaced by the rapid pace of technological change deserve the chance to pursue new careers. The way in which we respond to these challenges today will determine how prosperous a nation we are in the next century.

The importance of highly developed employment skills has never been greater. The gap in earnings between skilled and unskilled workers is steadily widening. For those who enter the work force with good academic training and well-developed career skills, this new economy offers almost unlimited potential. However, for those who lack basic proficiency in language, math and science and who have no career skills, the new economy presents an increasingly hostile environment.

The Workforce Investment Partnership Act will provide employment training opportunities for millions of Americans. It responds to the challenge of the changing workplace by enabling men and women to both acquire the skills necessary to enter the work force and upgrade their skills throughout their careers. It will provide access to the educational tools that will enable them not only to keep up, but to get ahead.

The important role President Clinton has played in bringing about this dramatic reform of our current job training system needs to be acknowledged. He has consistently emphasized the need for greater individual choice in the selection of career paths and training providers. S. 1186 incorporates the key principles of the President's G.I. Bill for America's Workers, such as individual

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empowerment through skill grants and good information to guide customers in making training choices. We are also pleased that the legislation builds on important reforms that the Department of Labor has undertaken in recent years, such as the establishment of One-Stop Career Center systems in nearly two-thirds of the States and the development of quality, customer-focused labor market information.

The Workforce Investment Partnership Act is designed to provide easy access to state of the art employment training programs which are geared to real job opportunities in the community. The cornerstones of this new system are individual choice and quality labor market information. In the past, men and women seeking new careers often did not know what job skills were most in demand and which training programs had the best performance record. All too often, they were forced to make one of the most important decisions in their lives based on anecdotes and late-night advertisements.

No training system can function effectively without accurate and timely information. The frequent unavailability of quality labor market information is one of the most serious flaws in the current system. In order to make sound career choices, prospective trainees need both detailed information on local career opportunities and performance-based information on training providers. That information will now be available at easily accessible one stop employment centers, along with career counseling and other employment services. The legislation places a strong emphasis on providing information about what area industries are growing, what skills those jobs require, and what earning potential they have. Extensive business community participation is encouraged in developing this information. Once a career choice is made, the individual must still select a training provider. At present, many applicants make that choice with a little or no reliable information. Under the bill, each training provider will have to publicly report graduation rates, job placement and retention rates, and average earnings of graduates.

Because of the extensive information which will be available to each applicant, real consumer choice in the selection of a career and of a training provider will be possible. The legislation establishes individual training accounts for eligible participants, which they can use to access career education and skill training programs. Men and women seeking training assistance will no longer be limited to a few predetermined options. As long as there are real job opportunities in the field selected and the training provider meets established performance standards, the individual will be free to choose which option best suits his or her needs.

This legislation will organize the delivery of services more effectively and utilize resources more creatively. There will be a significant consolidation of the dozens of narrowly focused programs which currently exist into several broad funding streams for the distinct populations needing assistance. Consolidation makes sense in those areas in which multiple programs are currently serving the same population. However, it is equally important to preserve separate streams of funding for distinct populations. The programmatic needs of middle age dislocated workers with extensive employment histories are quite different from the services required by young adults with limited skills and no work histories. Similarly the problems faced by out-of-school youth require very different solutions than those confronting the adult population. Ensuring that services which are designed to meet the needs of each of these populations are available is a Federal responsibility. For that reason, this legislation maintains distinct programs with separate appropriations for dislocated workers, disadvantaged adults, and at risk youth.

The Workforce Investment Partnership Act gives State and local government significantly enhanced discretion in designing their training systems. If this reform is to be truly responsive to those at the community level who are in need of services, it is essential that the authority which the Federal Government delegates to the States be exercised through a broad based decisionmaking process. Governors, State legislatures, mayors, and other county and local officials should all have a meaningful voice in the design of a State's new job training system and they will under this legislation. Local boards of business, labor, education and community leaders are essential to insuring that programs meet the real world needs of participants, and that the training programs correspond to labor market demands. In doing so, it is important that these boards carry out "intermediary" or "brokering" functions to help program participants find and sustain employment. The success demonstrated in Massachusetts has been due in large measure to active participation by local business leaders with the regional employment boards. S. 1186 strengthens the role of such boards, giving them major new policy making responsibilities. These boards will play the primary role in assuring that training programs address the actual employment needs of area businesses.

An essential element of the new system we have designed is accountability. As noted earlier, each training provider will have to monitor and report the job placement and retention achieved by its graduates and their average earnings. Only those training programs that meet an acceptable performance standard will remain eligible for receipt of public funds. The same principle of accountability is applied to those agencies administering State and local programs. They are being given wide latitude to innovate under this legislation. But they too will be held accountable if their programs fail to meet challenging performance targets.

There is no challenge facing America today which is tougher or more important than providing at-risk, often out-of-school, youth with meaningful education and employment opportunities. Far too many of our teenagers are being left behind without the skills needed to survive in the 21st century economy. We are particularly proud of the commitment which the Workforce Investment Partnership Act makes to these young men and women. This legislation authorizes a new initiative focused on teenagers living in the most impoverished communities in America. These areas range from the poorest neighborhoods of our largest cities to impoverished rural counties. Each year, the Secretary of Labor will award grants from a $250 million fund to innovative programs designed to provide opportunities to youth living in these areas. The programs will emphasize mentoring, strong links between academic and worksite learning, and job placement and retention. It will encourage broad based community participation from local service agencies and area employers. These model programs will, we believe, identify the techniques which are most effective in reaching those youth at greatest risk and improving the quality of life in the communities in which they reside.

This legislation also makes a strong commitment to creating opportunities for disadvantaged youth through career preparation programs. These programs include rigorous applied learning in a variety of venues, learning by doing, mentoring, community service, work experience, summer work, internships, career exploration, career pathways to college and ultimately career ladder employment with follow up. The allocation of resources between year-round programs and summer jobs will be decided in each community.

The ability of local workforce partnerships and local youth partnerships to address effectively the needs of disadvantaged youth would be further strengthened with the addition of leading local educators, such as the local superintendent of schools, to those boards.

The Workforce Investment Partnership Act includes titles reauthorizing major vocational education and adult literacy programs. Both programs will continue to be separately funded and independently administered. We have incorporated them in the Workplace Act because they must be integral components of any comprehensive strategy to prepare to meet the demands of the 21st century workplace. Students who participate in vocational education must be provided with broad based career preparation courses which meet both high academic standards and teach state of the art technological skills. Adult literacy programs are essential for the 27 percent of the adult population who have not earned a high school diploma or its equivalent. Learning to read and communicate effectively are the first steps to career advancement. In vocational education and adult literacy, we are placing the same emphasis on program accountability which we did in job training.

The Workforce Investment Partnership Act will make it possible for millions of Americans to gain the skills needed to compete in a global economy. In doing so, we are also enabling them to realize their personal American dreams.

We greatly appreciate the responsiveness of Chairman Jeffords and Senator DeWine in addressing our concerns as the bill was being developed. However, there remain several issues that need to be resolved before the legislation is taken to the floor.

Title V—State Unified Plans

The most serious remaining issue is Title V, which was added to the legislation late in the process and therefore did not receive the same level of scrutiny as other provisions. Our disagreement is not with the concept of a unified State plan for employment training, vocational education, and adult education; but with vague and open-ended language used to describe it. Many who have read the current Title V interpret it as allowing States to escape compliance with the substantive plan requirements contained in Titles I, II, and III. Such an interpretation would undo the structural safeguards that were intentionally inserted in those Titles to address substantial Federal concerns for the integrity of each program. This is certainly not the intent of Title V.

The Workforce Investment Partnership Act intends to preserve the fiscal and operational independence of job training, vocational education, and adult education programs. The intent is to foster greater coordination among independent programs, not to blur their distinct missions. The language of Title V must be rewritten to make that intent explicit and to preclude more sweeping interpretations.

State unified plans are intended to assist States in exercising the flexibility which is afforded to them under Titles I, II, and III of this Act and under the related Acts in a manner which will facilitate coordination among these independent programs and thus improve the overall quality of services. Therefore, this section permits States to merge the processes for developing the plans required by two or more of the Titles in this Act into a single planning process. The unified plan may also include one or more of the other listed related programs. The unified planning process created must substantially reflect the procedural requirements of the individual planning processes set forth in statute. Title V does not allow a State to evade the substantive program requirements set forth in statute for each independent program. A State still must comply with all specific statutory plan requirements for each of the programs included in the unified plan, except those requirements related solely to the process for developing a plan within a State. The structure and operation of the programs established by Titles I, II, and III must remain separate and distinct, and funds appropriated by Congress for each of these individual programs must be expended only for the purposes for which the funds were appropriated.

Title V—Extended Transition for States

Additionally, section 502 of the bill contains language designed to assist States which, prior to July 1, 1997, enacted comprehensive workforce system statutes utilizing administrative structures which conflict with the provisions of this Act. It would allow such States to continue to utilize those conflicting administrative structures for 3 years. This section is intended to apply to State and local workforce boards which have a composition different from the State and local partnerships provided for in this Act, and to service delivery areas which are regional rather than local.

However, the language in the current bill goes far beyond that intent. As written, it would allow the affected States to ignore substantial portions of the Workforce Investment Partnership Act. The scope of the section should be substantially narrowed to cover only those issues relating to the membership of workforce boards and the size of service delivery areas which gave rise to it. Any extension beyond the 3-year transition period should require a waiver by the appropriate Secretary.

VOCATIONAL EDUCATION

There has been a great deal of concern expressed within the educational community regarding the substitution of "eligible agency" for the "State Board of Vocational Education" as the entity responsible for developing the State plan and administering vocational education within the State. We share the concern. Reliance on the State Board mechanism in current law insures that those individuals most experienced in and most focused on vocational education will have a primary role in guiding the program. There is no compelling reason for this Act to upset the well-established system currently used to oversee vocational education at the State level. At best, such a change will create unnecessary uncertainty. At worse, it will be disruptive and counter-productive. There are far better ways to provide for the enhanced coordination between job training programs and vocational education programs which we would all like to see.

In order to ensure state-of-the-art vocational programming, it is essential to establish an on-going dialogue between the business and educational communities regarding the (1) the career opportunities which will be available for students after graduation, and (2) the skill standards which a student must master in order to qualify for those careers. The most effective programs will be those which effectively integrate academic learning with employment training that prepares a student to deal with all aspects of the industry he or she desires to enter. We would like to see a greater emphasis on coordination between those involved in job training and those in vocational education on these important issues.

We are also concerned that the authorization for national activities is too restrictive. The current language authorizes the appropriations of such sums as necessary for national research, assessment, activities, and incentive grants. However, the bill contains provisions, inconsistent with this authorization, that reserves 0.65 percent of the appropriation for basic grants for incentive grants and 0.65 percent for all other national activities. The reserves would result in a 50 percent cut in funding available for national research, evaluation, and technical assistance, compared to current levels. States and localities will need national guidance and assistance to develop and institute the complex new performance measurement systems contained in the Act, as well as improve the quality of their programs. A 0.65 percent reserve on the national research, evaluation, and activities will impede the effective implementation of the Act.

GENDER EQUITY

We are pleased by the emphasis throughout the Act which is given to the importance of gender equity in vocational education, to the preparation of students and trainees for nontraditional employment, and to addressing the special need for services by teen parents and displaced homemakers. However, we would like to see a stronger guarantee in the legislation that sufficient program dollars will actually be expended to carry out that intent. In our view, States should be required at least to maintain their current expenditure levels in furtherance of these worthy goals. It would clearly violate the intent of this Act if a State were to view the elimination of express set-asides as an excuse to reduce its commitment to gender equity in programming.

Title I of the bill identified "participation in and completion of nontraditional vocational education programs" as a performance measure. While we certainly concur with the intent of a performance measure focused on breaking down gender stereotyping in career preparation, the current language is unclear and susceptible to misinterpretation. It should be changed to "participation in and completion of vocational education programs which prepare students for nontraditional employment."

SUMMER YOUTH EMPLOYMENT AND TRAINING

This legislation provides for the continuation of summer jobs as an essential element of the youth grant. For many youth, summer jobs are their first opportunity to work and their first critical step in learning the work ethic. The summer jobs program also provides many youth with quality learning experiences and follow up during the school year.

The summer jobs program is particularly critical to minority youth. An estimated third of summer jobs held by African-American youth and a fourth of summer jobs held by Hispanic youth come from the summer jobs program.

Studies by the Department of Labor's Office of the Inspector General and research by Westat, Inc. have reported positive findings, concluding that work sites are well-supervised and disciplined, that jobs provide useful work, that the education component teaches students new skills that they can apply in school, and that students learn the value of work. We believe that the summer youth jobs program meets performance expectations and needs to continue to be available on a significant scale with sufficient funding. We are pleased that the Committee report recognizes the critical importance of the summer youth program by requiring that it be a part of each local area's youth program and letting local communities determine the number of summer jobs to be created. We believe that this intent should be more clearly stated in the legislation.

S. 1186 requires that 50 percent of all of youth participants, including those in the summer jobs component, be out-of-school. This would require significant changes from the previous composition of summer programs. During the summer of 1996, about 83 percent of the 378,000 youth who participated in the summer jobs program were full-time students. We believe the 50 percent out-of-school requirement should not apply to summer youth employment.

PRESERVATION OF JTPA LANGUAGE

Two safeguards in the current JTPA legislation have been imprudently omitted from the Workforce Investment Partnership Act. First, the bill should retain a long-standing provision of job training legislation which ensures advance notification to labor organizations whose members would be substantially affected by proposed training activities in the same area and affords them the opportunity to comment on those proposals. Second, language ensuring that job training funds are not used to assist, promote, or deter union organizing should be retained.

Finally, we believe that it was an oversight that labor representatives were not included on the Twenty-First Century Workforce Commission and urge that they be included here as they are on the State and local partnerships.

We hope that many of these concerns will be resolved before the legislation is voted on by the Senate.

EDWARD M. KENNEDY.
CHRISTOPHER DODD.
BARBARA MIKULSKI.
PATTY MURRAY.
PAUL WELLSTONE.
TOM HARKIN.
JEFF BINGAMAN.
JACK REED.

IX. CHANGES IN EXISTING LAW

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

WAGNER-PEYSER ACT

* * * * * * *

SECTION 1. * * *

* * * * * * *

SEC. 2. For purposes of this Act—

(1) the term "chief elected official [or officials]" has the same meaning given that term under the [Job Training Partnership Act] *Workforce Investment Partnership Act of 1997.*

(2) the term "local workforce investment area" means a local workforce investment area designated under section 307 of the Workforce Investment Partnership Act of 1997;

(3) the term "local workforce investment partnership" means a local workforce investment partnership established under section 308 of the Workforce Investment Partnership Act of 1997;

(4) the term "one-stop customer service system" means a one-stop customer service system established under section 315(b) of the Workforce Investment Parternship Act of 1997;

[(2) the term "private industry council" has the same meaning given that term under the Job Training Partnership Act;]

[(3)] *(5)* the term "Secretary" means the Secretary of Labor[;]*; and*

[(4) the term "service delivery area" has the same meaning given that term under the Job Training Partnership Act; and]

[(5)] *(6)* the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

SEC. 3. [(a) The United States Employment Service shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.]

(a) The Secretary shall—

(1) assist in the coordination and development of a nationwide system of public labor exchange services, provided as part of the one-stop customer service systems of the States;

(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

(3) ensure, for individuals otherwise eligible to receive unemployment compensation, the provision of reemployment services and other activities in which the individuals are required to participate to receive the compensation.

(b) It shall be the duty of the [Secretary of Labor] *Secretary* to assure that unemployment insurance and employment service offices in each State, as appropriate, upon request of a public agency administering or supervising the administration of a State plan approved under part A of title IV of the Social Security Act, of a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of title IV of such Act, or of a State agency charged with the administration of the food stamp program in a State under the Food Stamp Act of 1977 (7 U.S.C. 2011, et seq.), shall (and, notwithstanding any other provision of law, is authorized to) furnish to such agency making the request, from any data contained in the files of any such office, information with respect to any individual specified in the request as to (1) whether such individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received by such individual, (2) the current (or most recent) home address of such individual, and (3) whether such individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor.

SEC. 4. In order to obtain the benefits of appropriations apportioned under section 5, a State shall[, through its legislature,], *pursuant to State statute,* accept the provisions of this Act and, *in accordance with such State statute, the Governor shall* designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the [United States Employment Service] *Secretary* under this Act.

SEC. 5. (a) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

[(3)(A) Appropriations for fiscal year 1984 shall be available both to fund activities for the period between October 1, 1983, and July 1, 1984, and for the program year beginning July 1, 1984.

[(B) There are authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this paragraph for the transition to program year funding.]

SEC. 6. (a) * * *

* * * * * * *

(b)(1) Subject to paragraphs (2), (3), and (4) of this subsection, the Secretary shall allot the remainder of the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year among the States as follows:

(A) two-thirds of such sums shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States; and

(B) one-third of such sums shall be allowed on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the [Secretary of Labor] *Secretary*.

SEC. 7. (a) * * *

* * * * * * *

(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—

(1) * * *

* * * * * * *

(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate [private industry council] *local workforce investment partnership* and chief elected official or officials or other public agencies or private nonprofit organizations; and

* * * * * * *

(2) For purposes of this subsection, the term "applicable program" means [any program under any of the following provisions of law:

[(A) The Carl D. Perkins Vocational and Applied Technology Education Act.

[(B) Section 123, title II, and the title III of the Job Training Partnership Act.] *any workforce investment activity carried out under the Workforce Investment Partnership Act of 1997:*

(d) In addition to the services and activities otherwise authorized by this Act, the [United States Employment Service] *Secretary* or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the [Secretary of Labor] *Secretary* or with any Federal, State, or local public agency, or administrative entity under the [Job Training Partnership Act] *Workforce Investment Partnership Act of 1997*, or private nonprofit organization.

(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided as part of the one-stop customer service system established by the State.

SEC. 8. [(a) Any State desiring to receive the benefits of this Act shall, by the agency designated to cooperate with the United States Employment Service, submit to the Secretary of Labor detailed plans for carrying out the provisions of this Act within such State.]

BEST COPY AVAILABLE

(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 304 of the Workforce Investment Partnership Act of 1997, detailed plans for carrying out the provisions of this Act within such State.

[(b) Prior to submission of such plans to the Secretary—

[(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;

[(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;

[(3) such plans shall be transmitted to the State job training coordinating council (established under such Act) which shall certify such plans if it determines (A) that the components of such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (B) that such plans are consistent with the Governor's coordination and special services plan under the Job Training Partnership Act;

[(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3) such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected official or officials, the council's recommendations for modifying such plans; and

[(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any appropriate disagreeing private industry council and chief elected official or officials affected, and the State job training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

[(c) The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of such plans submitted.;]

[(d)] *(b)* Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes. In those States where a State board, department, or agency exists which is charged with the administration of State laws for vocational rehabilitation of physically handicapped persons, such plans shall include provision for cooperation between such board, department, or agency and the agency designated to cooperate with the United States Employment Service under this Act.

[(e) If such plans are in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the Secretary of Labor and due notice of such approval shall be given to the State agency.]

(c) The part of the State plan described in subsection (a) shall include the information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.

* * * * * * *

[SEC. 11. (a) The Director shall establish a Federal Advisory Council composed of men and women representing employers and employees in equal numbers and the public for the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems. Members of such council shall be selected from time to time in such manner as the Director shall prescribe and shall serve without compensation, but when attending meetings of the council they shall be allowed necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The council shall have access to all files and records of the United States Employment Service. The Director shall also require the organization of similar State advisory councils composed of men and women representing employers and employees in equal numbers and the public. Nothing in this section shall be construed to prohibit the Governor from carrying out functions of such State advisory council through the State job training coordinating council in accordance with section 122(c) of the Job Training Partnership Act.

(b) In carrying out the provisions of this Act the Director is authorized and directed to provide for the giving of notice of strikes or lockouts to applicants before they are referred to employment.]

SEC. 12. [The Director, with the approval of the Secretary of Labor,] *The Secretary* is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

* * * * * * *

SEC. 15. LABOR MARKET INFORMATION.

(a) SYSTEM CONTENT.—

(1) IN GENERAL.—The Secretary, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a system of labor market information that includes—

(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project the employment opportunities at the national, State, and local levels in a timely manner, including data on—

(i) employment and unemployment status of the national, State, and local populations, as such data are developed by the Bureau of Labor Statistics and other sources;

(ii) industrial distribution of occupations, as well as current and projected employment opportunities and skill trends by occupation and industry, with particular attention paid to State and local employment opportunities;

(iii) data on the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

(iv) employee information maintained in a longitudinal manner and collected (as of the date of enactment of the Workforce Investment Partnership Act of 1997) by States;

(B) State and local employment information, and other appropriate statistical data related to labor market dynamics (compiled for States and localities with technical assistance provided by the Secretary), which shall—

(i) be current and comprehensive, as of the date used;

(ii) assist individuals to make informed choices relating to employment and training; and

(iii) assist employers to locate, identify skill traits of, and train individuals who are seeking employment and training;

(C) technical standards (which the Secretary shall make publicly available) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as State and local policymaking;

(G) wide dissemination of such data, information, and analysis, training for users of the data, information, and analysis, and voluntary technical standards for dissemination mechanisms; and

(H) programs of—

(i) research and demonstration; and

(ii) technical assistance for States and localities.

(2) INFORMATION TO BE CONFIDENTIAL.—

(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

(ii) make any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning individual sub-

jects to be reasonably inferred by either direct or indirect means; or

(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i);

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(C) CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

(b) SYSTEM RESPONSIBILITIES.—

(1) IN GENERAL.—The labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information for the system, shall carry out the following duties:

(A) Assign responsibilities within the Department of Labor for elements of the system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the system described in subsection (a), including the development

of consistent definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B), of subsection (a)(1) and the development of the annual plan under subsection (c).

(E) Establish procedures for the system to ensure that—

(i) such data and information are timely;

(ii) administrative records for the system are consistent in order to facilitate aggregation of such data and information;

(iii) paperwork and reporting for the system are reduced to a minimum; and

(iv) States and localities are fully involved in the maintenance and continuous improvement of the system at the State and local levels.

(c) ANNUAL PLAN.—The Secretary, with the assistance of the States and the Bureau of Labor Statistics, and with the assistance of other appropriate Federal agencies, shall prepare an annual plan which shall be the mechanism for achieving cooperative management of the nationwide labor market information system described in subsection (a) and the statewide labor market information systems that comprise the nationwide system. The plan shall—

(1)(A) describe the elements of the system described in subsection (a), including standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting data and information described in subparagraphs (A) and (B) of subsection (a)(1); and

(B) include assurances that—

(i) the data will be timely and detailed;

(ii) administrative records will be standardized to facilitate the aggregation of the data from local areas to State and national levels and to support the creation of new statistical series from program records; and

(iii) paperwork and reporting requirements for employers and individuals will be reduced;

(2) include a report on the results of an annual consumer satisfaction review concerning the performance of the system, including the performance of the system in addressing the needs of Congress, States, localities, employers, jobseekers, and other consumers;

(3) evaluate the performance of the system and recommend needed improvements, taking into consideration the results of the consumer satisfaction review, with particular attention paid to the improvements needed at the State and local levels;

(4) describe annual priorities, and priorities over 5 years, for the system;

(5) describe current (as of the date of the submission of the plan) spending and spending needs to carry out activities under this section, including the costs to States and localities of meeting the requirements of subsection (d)(2); and

(6) describe the involvement of States in the development of the plan, through formal consultations conducted by the Secretary in cooperation with representatives of the Governors of every State, and with representatives of local partnerships, pur-

suant to a process established by the Secretary in cooperation with the States.

(d) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State—

(A) shall designate a single State agency to be responsible for the management of the portions of the system described in subsection (a) that comprise a statewide labor market information system; and

(B) shall establish a process for the oversight of such system.

(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency shall—

(A) consult with State and local employers, participants, and local partnerships about the labor market relevance of the data to be collected and disseminated through the statewide labor market information system;

(B) consult with State educational agencies and local educational agencies concerning providing labor market information in order to meet the needs of secondary school and postsecondary school students who seek such information;

(C) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

(D) maintain and continuously improve the statewide labor market information system in accordance with this section;

(E) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

(F) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide labor market information system;

(G) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

(H) participate in the development of the annual plan described in subsection (c); and

(I) utilize the quarterly records described in section 321(e)(1) and section 312 to assist the State and other States in measuring State progress on State performance measures.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

(f) DEFINITIONS.—In this section, the terms "local area" and "local partnership" have the meanings given the terms in section 2 of the Workforce Investment Partnership Act of 1997.".

SEC. [15.] *16.* This Act may be cited as the "Wagner-Peyser Act".

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OLDER AMERICANS ACT OF 1965

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FEDERAL AGENCY CONSULTATION

SEC. 203. (a)(1) * * *

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(8) title I of the Higher Education Act of 1965 and the [Adult Education Act] *Workforce Investment Partnership Act of 1997,*

* * * * * * *

OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT PROGRAM

SEC. 502. (a) * * *

* * * * * * *

(N)(i) will prepare an assessment of—
  (I) the participants' skills and talents;
  (II) their need for supportive services; and
  (III) their physical capabilities;

except to the extent such project has, for the particular participant involved, an assessment of such skills and talents, such need, or such capabilities prepared recently pursuant to another employment or training program (such as a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) [or the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)]);

* * * * * * *

(O) will authorize funds to be used, to the extent feasible, to include individuals participating in such project under any State unemployment insurance plan[; and]*;*

(P) will post in such project workplace a notice, and will make available to each person associated with such project a written explanation, clarifying the law with respect to allowable and unallowable political activities under chapter 15 of title 5, United States Code, applicable to the project and to each category of individuals associated with such project and containing the address and telephone number of the Inspector General of the Department of Labor, to whom questions regarding the application of such chapter may be addressed[.]*; and*

(Q) will provide to the Secretary the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.

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INTERAGENCY COOPERATION

SEC. 505. (a) * * *

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(2) The Secretary shall consult with the Secretary of Education to promote and coordinate carrying out projects under this title jointly with [employment and training programs] *workforce investment activities* in which eligible individuals may participate that are carried out under [the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)] *the Carl D. Perkins Vocational and Applied Technology Education Act of 1997.*

* * * * * * *

EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994

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UNITED STATES CODE—TITLE 7

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SEC. 301. Land grant aid of colleges.

HISTORICAL AND STATUTORY NOTES

EQUITY IN EDUCATIONAL LAND GRANT STATUS.—

* * * * * * *

"(A) 60 percent of the adjusted income shall be distributed among the 1994 Institutions on a pro rata basis. The proportionate share of the adjusted income received by a 1994 Institution under this subparagraph shall be based on the Indian student count (as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act [(20 U.S.C. 2397h(3)], *as such section was in effect on the day preceding the date of enactment of the Carl D. Perkins Vocational and Applied Technology Education Act of 1997* [section 2397h(3) of Title 20, Education])) for each 1994 Institution for the fiscal year.

IMMIGRATION AND NATIONALITY ACT

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UNITED STATES CODE—TITLE 8

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SEC. 1255a. Adjustment of status of certain entrants before January 1, 1982, to that of person admitted for lawful residence.
(a) Temporary resident status

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(4) Treatment of certain programs—Assistance furnished under any of the following provisions of law shall not be con-

strued to be financial assistance described in paragraph (1)(A)(i):

(A) * * *

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(C) the [Vocational Education Act of 1963] *Carl D. Perkins Vocational and Applied Technology Education Act of 1997* [20 U.S.C.A. § 2301 et seq.]

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NATIONAL DEFENSE AUTHORIZATION ACT

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UNITED STATES CODE—TITLE 10

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SEC. 1143. Employment Assistance

(a) Employment skills verification.—* * *

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HISTORICAL AND STATUTORY NOTES

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["(4) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).]

["(5)] *"(4)* The Act of August 16, 1937 (Chapter 663; 50 Stat. 664; 20 U.S.C. 50 et seq.), commonly known as the National Apprenticeship Act.

["(6)] *"(5)* The Wagner-Peyser Act (20 U.S.C. 49 et seq.)."

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TRADE ACT OF 1974

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UNITED STATES CODE—TITLE 19

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SEC. 2313. Payments to States.

CERTIFICATION TO SECRETARY OF TREASURY FOR PAYMENT TO COOPERATING STATES

(a) * * *

* * * * * * *

(d) To be eligible to receive funds under this section, a State shall submit to the Secretary an application that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.

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ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

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UNITED STATES CODE—TITLE 20

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SEC. 6314. Schoolwide programs.

(a) Use of funds for schoolwide programs.—

(1) In general.—

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(v) where appropriate, developed in coordination with programs under the School-to-Work Opportunities Act of 1994 [20 U.S.C.A. § 6101 et seq.], the **[**Carl D. Perkins Vocational and Applied Technology Education Act**]** *Carl D. Perkins Vocational and Applied Technology Education Act of 1997* [20 U.S.C.A. § 2301 et seq.], and the National and Community Service Act of 1990 [42 U.S.C.A. § 12501 et seq.].

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SEC. 6362. Program authorized.

(a) Reservation for migrant programs, outlying areas, and Indian tribes.

(1) In general.—

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(c) Reservation for grants

(1) Grants authorized—In any fiscal year in which the amount appropriated to carry out this part exceeds the amount appropriated to carry out this part for the preceding fiscal year, the Secretary may reserve such funds in excess of the amount appropriated for such preceding fiscal years as do not exceed $1,000,000 to award grants, on a competitive basis, to States to enable such States to plan and implement, statewide family literacy initiatives to coordinate and integrate existing Federal, State, and local literacy resources consistent with the purposes of this part. Such coordination and integration shall include funds available under the **[**Adult Education Act**]** *Workforce Investment Partnership Act of 1997* [20 U.S.C.A. § 1201 et seq.], Head Start, Even Start, and the Family Support Act of 1988.

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SEC. 6365. Program elements—Each program assisted under this part shall—

(1) * * *

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(8) be coordinated with—

(A) programs assisted under the parts of this title and this chapter;

(B) any relevant programs under the **[**Adult Education Act**]** *Workforce Investment Partnership Act of 1997* [20 U.S.C.A. § 1201 et seq.], the Individuals with Disabilities

Education Act [20 U.S.C.A. § 1400 et seq.], and the Job Training Partnership Act [29 U.S.C.A. § 1501 et seq.]; and

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Sec. 6366. Eligible participants.

(a) In general.—Except as provided in subsection (b) of this section, eligible participants in an Even Start program are—

(1) a parent or parents—

(A) who are eligible for participation in [an adult basic education program under the Adult Education Act] *adult education and literacy activities under the Workforce Investment Partnership Act of 1997* [20 U.S.C. A. § 1201 et seq.]; or

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Sec. 7815. Authorized services and activities.

(a) General requirements.—

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(5) school-to-work transition activities to enable Indian students to participate in programs such as the programs supported by the School-to-Work Opportunities Act of 1994 [20 U.S.C.A. § 6101 et seq.] and the [Carl D. Perkins Vocational and Applied Technology Education Act] *Carl D. Perkins Vocational and Applied Technology Education Act of 1997* [20 U.S.C.A. § 2301 et seq.], including programs for tech-prep, mentoring, and apprenticeship;

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Sec. 8852. Optional consolidated State plans or applications.

(a) General authority.—

(1) Simplification

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[(C) programs under part A of title II of the Carl D. Perkins Vocational and Applied Technology Education Act [20 U.S.C.A. § 2331 et seq.];]

[(D)] *(C)* programs under the Goals 2000: Educate America Act [20 U.S.C.A. § 5801 et seq.];

[(E)] *(D)* programs under the School-to-Work Opportunities Act of 1994 [20 U.S.C.A. § 6101 et seq.]; and

[(F)] *(E)* such other programs as the Secretary may designate.

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Sec. 8857. Relationship of State and local plans to plans under Goals 2000: Educate America Act.

(a) State plans.—

(1) In general.—Each state plan submitted under the following programs shall be integrated with each other and the State's improvement plan, if any, either approved or being developed, under title III of the Goals 2000: Educate America Act [20 U.S.C.A. § 5881 et seq.], the School-to-Work Opportunities Act of 1994 [20 U.S.C.A. § 6101 et seq.], and the [Carl D. Perkins Vocational and Applied Technology Education Act] *Carl*

D. Perkins Vocational and Applied Technology Education Act of 1997 [20 U.S.C.A. § 2301 et seq.]:

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VOCATIONAL EDUCATION AMENDMENTS OF 1968

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UNITED STATES CODE—TITLE 20

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APPROPRIATIONS UNDER VOCATIONAL EDUCATION ACT OF 1963

Pub. L. 90–576, Title I, § 104, Oct. 16, 1968, 82 Stat. 1091, as amended by Pub. L. 91–230, Title VII, § 709, Apr. 13, 1970, 84 Stat. 189; Pub. L. 94–482, Title II, § 203(c)(1), as added Pub. L. 95–40, § 1(29), June 3, 1977, 91 Stat. 207; Pub. L. 98–524, § 4(h), Oct. 19, 1984, 98 Stat. 2489, provided that: "Funds appropriated by the first section of the Smith-Hughes Act (that is the Act approved February 23, 1917, 39 Stat. 929, as amended (20 U.S.C. 11–15, 16–28) [sections 11–15, 16, and 18–28 of this title], shall be considered as funds appropriated pursuant to **[**section 3 of the Carl D. Perkins Vocational Education Act**]** *the Carl D. Perkins Vocational and Applied Technology Education Act of 1997* [section 2302 of this title]."

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INTERNAL REVENUE CODE OF 1986

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UNITED STATES CODE—TITLE 26

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SEC. 135. Income from United States savings bonds used to pay for higher education tuition and fees.

(a) General rule.—* * *

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(c) * * *

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(B) an area vocational education school (as defined in **[**subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act**]** *subparagraph (C) or (D) of section 2(3) of the Workforce Investment Partnership Act of 1997*) which is in **[**any State (as defined in section 521(27) of such Act)**]** *any State or outlying area (as the terms "State" and "outlying area" are defined in section 2 of such Act)*, as such sections are in effect on October 21, 1988.

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NATIONAL APPRENTICESHIP ACT

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UNITED STATES CODE—TITLE 29

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SEC. 3A. COORDINATION AND NONDUPLICATION.

In carrying out this Act, the Secretary of Labor shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this Act that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.

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CHAPTER 41

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UNITED STATES CODE—TITLE 38

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SEC. 4110A. Special unemployment study.

(a) * * *

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SEC. 4110B. Coordination and nonduplication.

In carrying out this chapter, the Secretary shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this Act that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.

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APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

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UNITED STATES CODE—TITLE 40

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SEC. 214. Supplements to Federal grant-in-aid programs.

(a) * * *

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(c) The term "Federal grant-in-aid programs" as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1980, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; Titles VI and XVI of the Public Health Services Act; [Carl D. Perkins Vocational Education Act] *Carl D. Perkins Voca-*

tional and Applied Technology Education Act of 1997; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of Title III of the Communications Act of 1934; Title VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; Titles I and IX of the Public Works and Economic Development Act of 1965; the housing repair program for homeowners authorized by section 1319 of Title 42 United States Code; grants under the Indian Health Service Act (42 Stat. 208); and Title I of the Housing and Community Development Act of 1974. The term shall not include: (A) The program for the construction of the development highway system authorized by section 201 of this Act or any other program relating to highway or road construction, or (B) any other program for which loans or other Federal financial assistance, except a grant-in-aid program, is authorized by this or any other Act. For the purpose of this section, any sewage treatment works constructed pursuant to section 8(c) of the Federal Water Pollution Control Act without Federal grant-in-aid assistance under such section shall be regarded as if constructed with such assistance.

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National Literacy Act of 1991

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UNITED STATES CODE—TITLE 20

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[The National Literacy Act of 1991 (20 U.S.C. 1201 note) is repealed.]

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Adult Education Act

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[The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.]

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Carl D. Perkins Vocational and Applied Technology Education Act

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[The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 1201 et seq.) is repealed.]

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[Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note) is repealed.]

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[Title II of Public Law 95–250 (92 Stat. 172) is repealed.]

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[The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.) is repealed.]

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[Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211) is repealed.]

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[Subtitle C of Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 1141 et seq.) is repealed.]

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[Subchapter I of chapter 421 of title 49, United States Code is repealed.]

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[The provisions of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) are repealed.]

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[The provisions of Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), except subtitle B and section 738 of such title (42 U.S.C. 11431 et seq. and 11448) are repealed.]

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[Subsection (b) of section 402 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is repealed.]

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UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1976

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Public Law 104–193

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SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) * * *

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"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to [the third sentence of section 3(a)] *section 3(b)* of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. [49b(a)] *49b(b)*), or

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IMPROVING AMERICA'S SCHOOL ACT OF 1994

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Public Law 103–382

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SEC. 563. VOCATIONAL EDUCATION REGULATIONS

(a) IN GENERAL.—Notwithstanding any other provision of law, beginning on the date of enactment of this Act, and ending on [the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)] *July 1, 1999* the Department of Education's interpretation of the Carl D. Perkins Vocational and Applied Technology Act relating to—

* * * * * * *

SEC. 3113. DEFINITIONS.

"For purposes of this title—

"(1) the term 'adult education' has the same meaning given such term by [section 312 of the Adult Education Act] *section 2 of the Workforce Investment Partnership Act of 1997*;

* * * * * * *

"SEC. 9161. DEFINITIONS.

"As used in this part:

"(1) ADULT.—* * *

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"(2) ADULT EDUCATION.—The term 'adult education' has the meaning given such term in [section 312(2) of the Adult Education Act] *section 2 of the Workforce Investment Partnership Act of 1997*.

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